

The NATIONAL UNDERWRITER



A SYMBOL OF
STABILITY AND ENTERPRISE

IN 1809, when the North British was organized, Europe was in the throes of the depression caused by the Napoleonic Wars.

IN 1866, when the Company entered the United States, this country was emerging from the paralysis of the Civil War.

TODAY, the whole world is still suffering from the aftermath of the great World War.

YET, in the 130 years that have passed since its organization, the "North British" has gone through conflagrations, panics and hard times without wavering because successive generations of its management have never lost sight of the necessity for underwriting, investing and managing for the long pull so that, in good times and bad, all the Company's obligations could be met, as they have been, promptly and under every condition.

NORTH BRITISH & MERCANTILE
INSURANCE COMPANY, LTD.

—1809 — One Hundred Thirtieth Anniversary — 1939—



STICK 'EM UP! A wise householder, fully insured under a *Loyalty Group* Household Burglary and Robbery policy, will obey that command without any fear of property loss. Are your clients fully protected? If not, get facts and figures from the nearest *Loyalty Group* Departmental Office immediately!

Firemen's Insurance Company of Newark, N. J.
The Girard Fire & Marine Insurance Company
National-Ben Franklin Fire Insurance Company
The Concordia Fire Insurance Co. of Milwaukee
Milwaukee Mechanics' Insurance Company
Pittsburgh Underwriters • Keystone Underwriters
The Metropolitan Casualty Insurance Co. of N. Y.
Commercial Casualty Insurance Company



Western Department
844 Rush St.
Chicago, Illinois

Canadian Dept.
461 Bay St.
Toronto, Canada

HOME OFFICE
10 PARK PLACE
NEWARK, NEW JERSEY

Southwestern Dept.
912 Commerce St.
Dallas, Texas

Pacific Department
220 Bush St.
San Francisco, Calif.

WHO ARE ALL THESE PEOPLE?

During the day there comes a steady stream of visitors to your home. Many you seldom see or are conscious of. Yet - any one of them might become of serious concern to you - should they have an accident while legally on your property.

Have you pointed this out to your clients and explained to them the protection of Public and Employers' Liability Insurance?

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane.



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

NEW YORK CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS


MONTREAL



What's the difference between *Your Town* and Cleveland?

In Cleveland, Ohio, there are hundreds of home owners who read the magazines in which appear our national advertising — advertising, by the way, that tells the home owner that the best way to buy complete insurance is from you, the local agent or broker. And these home owners live in fine well-kept houses — homes that make attractive prospects for many lines of insurance. From a sales angle Cleveland is no different from your town. For every month our advertising reaches over 1,500,000 homes throughout the country — in cities

and towns, large and small. And like Cleveland, a good substantial percentage of these homes — including those in your territory — are good risks, good prospects, good business.



DO YOU WANT MORE BUSINESS?

Our monthly house organ "The Employers' Pioneer" contains interesting articles that show how to cash in on our national advertising, in addition to many other helpful articles on claim cases, collections, and the development of practically all types of insurance except life. Write today to the Publicity Department for a free copy.

THE EMPLOYERS' GROUP
110 MILK STREET, BOSTON, MASSACHUSETTS

Palmer Allows Extra Month on Cost Questionnaire

Appreciates the Congestion That Now Exists in Statistical Departments

Insurance Director Palmer has given the companies an additional month in which to complete the acquisition cost questionnaires that he sent to them last week. Instead of Feb. 1 for return of the questionnaire regarding acquisition cost on 1937 business, the companies have until March 1 and instead of March 1 for the report on 1938 business, the companies have until April 1. Mr. Palmer states that he is extending the time one month in order to ease the burden upon statistical and accounting departments at this time of the year.

Although the insurance code gives the department jurisdiction only over fire and automobile rates, the acquisition cost questionnaires cover just about every line of insurance. One questionnaire covers fire and allied lines, another was in respect of inland marine and the third casualty-surety. Mr. Palmer asserted that it is impossible to make an investigation of one line without taking into consideration the entire business. In a few days a fourth questionnaire is expected to come from the department, this one going to class 1 or metropolitan supervising agents in Chicago.

The special committee of the Chicago Board that has been conferring with Insurance Director Palmer on reform of the acquisition cost situation in connection with fire business in Chicago will make a report to the directors of the board Friday of this week. The committee went to Springfield last Thursday for a conference with Mr. Palmer. This week it will probably have a definite report. The insurance district has heard on various occasions, however, that the proposal will be to telescope into one class those producers that now fall into classes 2 and 3; to provide that a fire company may have only three instead of four class 1 agents and that class 1 agents need not necessarily be located in the Chicago loop, and to change the commission scale in a way that will represent a reduction.

The annual meeting of the board takes place Jan. 27, but the reform proposals will not be submitted at that time. In perhaps two months a general meeting of the board will be called to hear the program.

Plan 1939 "Insurance Day"

SAN FRANCISCO.—Elaborate preparations are being made for participation of the nation's insurance commissioners in observance of "Insurance Day" at the Golden Gate International Exposition here June 24. This will be the day following adjournment of the 1939 convention of the commissioners here.

Study U. & O. Rate Relativity

**Territorial Differences Exist
in Cost of New and
Old Forms**

Much interest is being shown as to the result of the rate for the new "gross earnings" mercantile use and occupancy form with 50 percent coinsurance in the middle west being the same as the rate for item 1 of the 80 percent contribution form. The rate in each case is 80 percent of the 80 percent coinsurance building rate and, considering the higher rate for ordinary payroll under the old 80 percent contribution form, it is expected that in the majority of cases the assured will have broader coverage at no more and probably at less premium under the 50 percent contribution "gross earnings" form than under the old 80 percent contribution form. In the east, there is a substantial difference in rates, the rate for item 1 of the 80 percent contribution form being 71.5 percent of the 80 percent coinsurance building rate, while the rate for the "gross earnings" form with 50 percent coinsurance is 80 percent of the 80 percent coinsurance building rate.

Identical Rate Indefensible

Eastern underwriters feel that an identical rate level for the two forms is indefensible from an actuarial viewpoint. Many of them believe that the western rating authorities must be trying to drive the old 80 percent contribution form out of existence. At all events, they cannot conceive of a properly advised mercantile house buying insurance under the 80 percent contribution form as long as the same rate level is maintained. They hope that in the east, Pacific Coast and the southeast, the rate differential may give the insurance business an opportunity to make a fair test of the two forms.

In a recent review of the "gross earnings" form in THE NATIONAL UNDERWRITER, the statement was made that this is the first form put out by a stock company bureau which has been labeled "Business Interruption" instead of "Use and Occupancy." A prominent eastern underwriter calls attention to the fact that this statement is true in the middle west, but that the New England standard forms have been entitled "Business Interruption Indemnity" since October, 1924. In some other eastern jurisdictions the caption, "Use and Occupancy—Business Interruption Insurance" has been used for some time.

Pennell Made Chairman New England Board

Robert M. Pennell, of the E. C. Jones agency, Portland, Me., and serving his second term as president of the Maine Association of Insurance Agents, has been elected chairman New England Advisory Board, composed of officials of the several state agents' associations. He succeeds the late F. W. Brodie of Waterbury, Conn., who died in October. Mr. Pennell attended Harvard Law School after graduating from Bowdoin

Several Veteran Executives Retire

**Percy Ling, F. C. Gustetter,
and H. D. Smith Embrace
Leisure**

Percy Ling, secretary of North British & Mercantile, who is retiring from service, was tendered a luncheon in New York by U. S. Manager C. F. Shallcross. He has been a highly esteemed executive, personally popular and one whose judgment has been valued for a good many years in various underwriting organizations and committees. Mr. Ling went with North British in 1900 in the loss department at the New York head office. He was one of those who was sent to San Francisco in 1906 to handle adjustments growing out of the earthquake disaster. Later that year he became special agent in Pennsylvania and West Virginia. After five years he was shifted to Albany as special agent. The next year he became general agent in the middle department. In 1929 he was made secretary in charge of the middle department and then in 1934 was assigned to special executive duties and representation on various organization committees. He helped organize the Albany Field Club of which he is a charter member.

Various officers and department heads attended the luncheon to pay their respects to Mr. Ling. Mr. Shallcross spoke in tribute to Mr. Ling and presented him with a pair of binoculars. Mr. and Mrs. Ling expect to go on a three months pleasure trip shortly. Mr. Ling also received a testimonial parchment signed by officers and associates and a leather bag.

SMITH 44 YEARS IN SERVICE

Agency Superintendent H. D. Smith of the Royal Liverpool organization has retired after more than 44 years of service. He went with L. & L. & G. in New York as junior clerk in 1894. He progressed through various positions in that department and in 1910 became underwriter in charge of all the company's eastern territory. In 1924 he was made agency superintendent in charge of New York, Pennsylvania, New Jersey and Maryland. In 1931 when the operations of Royal and Liverpool were merged he became superintendent of Royal-Liverpool in charge of New Jersey and West Virginia. Mr. Smith is a native of Glen Ridge, N. J., where he still resides. He is 63 years of age.

WAS IN HARNESS 57 YEARS

After 57 years of service, F. C. Gustetter, vice-president and secretary of Phoenix of Hartford, has retired. He is 72 years of age. He went with Phoenix in 1882 as a clerk in the western department in Cincinnati. Later he traveled Minnesota and North Dakota

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Colege in 1909. He practiced law in Portland for 12 years and then became affiliated with the E. C. Jones & Co. agency, he now being the head. He was chairman of the executive committee of the Maine association for three years prior to being elected president in 1936.

New Representation Plan Is Ratified in Los Angeles

**Agreement with Pacific
Board Permits Appointment
of 12 Agents**

LOS ANGELES—The Los Angeles Insurance Exchange has ratified the agency representation agreement with the Pacific Board, which permits 12 instead of six agency appointments in the metropolitan district under the supervision of the exchange for the board companies and their underwriters. Although a battle had been expected over the proposed agreement, the plan was ratified by an overwhelming majority.

Under the new rule new agents will not be required to become members of the exchange until their fire volume totals \$2,500 annually. They will not be required to write their own policies although the business must be cleared through the Pacific Board office in Los Angeles with records open to exchange officers at all times.

The board is changing its territorial boundaries so as to make them correspond with the exchange's metropolitan or No. 1 district. The new agents will be known as class B agents and the board companies will not accept business in district No. 1 from other than Class A (present) agents excepting class B agents in Los Angeles county outside of district 1, and board agents and brokers outside of Los Angeles county, with the proviso that the latter accept commissions 5 points less than the prevailing rate and that this 5 points be paid as an over-riding commission to an agent member of the exchange. The board agrees to increase its force of employees so as to adequately care for the records of the business written under the agreement.

Perk Presents Review

President Harry Perk, Jr., of the Los Angeles exchange presided at the ratification meeting and presented a clear review of the entire situation. After a short discussion the plan was adopted by resolution.

President Perk said that the population of Los Angeles has doubled in the last 20 years and that the change was necessary in order to keep pace with the increase in available fire insurance business. The Pacific Board has been endeavoring to secure a wider and more extended representation in Los Angeles for many years.

Under the exchange's membership restrictions, many substantial hurdles had to be surmounted by a special agent in making agency plants. The negotiations with the Pacific Board were worked out by Samuel L. Carpenter, former insurance commissioner, as a representative of the board, and a committee headed by

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Can Offset Watch Cuts Due to U. S. Act

Automatic Systems Permit Full-Time Protection Despite Wage-Hour Law

NEW YORK.—Fire underwriters, who have been apprehensive about the cutting of watchman service forced in many cases by the wages and hours law, are viewing with interest the progress that the American District Telegraph Company is making in substituting automatic electric protection to protect properties during the hours when the usual watchmen or other employees are not on the job. Quite a few employers, though sympathetic with the general aim of the wages and hours law in providing more jobs at better pay have found that to hire enough extra watchmen to reduce the working hours of each of these guardians to the legal limit would be prohibitively costly.

The efficacy of completely automatic protection capable of functioning without human supplementary aid has been amply proved in a large number of installations covering such services as A.D.T. central station automatic fire alarm, sprinkler system water flow alarm and supervision, burglar alarm or heating system supervision. Experience also indicates that favorable insurance rates usually follow the addition of automatic facilities to a plant.

Used as Supplement

The A.D.T. people are endeavoring to offer their automatic electric protection service as a supplement to existing watch facilities and to take over the entire responsibility during the hours when human vigilance cannot be kept on the job because of economic considerations. In this manner it is doing its best to conform to the spirit of the wages and hours law.

Inevitably there will be some employers who, having installed the automatic electric protection service, will go the whole hog and dispense entirely with human watch protection. However, probably more than offsetting this loss in wages to watchmen will be the increase in compensation in connection with the manufacturing, installation, and servicing of the electrical protection systems.

Then, too, in taking the broad economic view, it must be remembered that any increase in fire losses that would presumably result by curtailment of watchman service but are prevented or nipped in the bud by the electrical protection system are a contribution to national wealth, and make just that much more money available for investments and expenditures which are eventually reflected in payrolls.

Chattanooga Agents Get School Business

CHATTANOOGA, TENN. — Approximately 52 members of the Chattanooga Insurance Exchange were present Jan. 3 when the city commission approved by a vote of 3 to 1, the increase of coverage on 53 school buildings from 25 to 80 percent.

There are 56 school buildings in Chattanooga under the approved plan. Coverage on these units is increased from \$1,039,750 to \$3,209,050 with three policies, equally divided as to premiums among the 52 members of the exchange.

T. J. Ocasek, Chicago, Underwriters Service Association, officially led Chattanooga's formidable presentation action. J. A. Wilson, Chicago, was present.

Spearheads of Chattanooga Exchange successful culmination were President W. C. Brown, Vice-President H. W. Spencer, Secretary H. F. Wenning, W. S. Keese, Jr., retiring president of Tennessee Association of Insurance Agents, and George Woodley.

Riegel New President of University Teachers

DETROIT—Robert Riegel, University of Buffalo, was elected president of the American Association of University Teachers of Insurance at the annual convention here. He succeeds H. J. Loman, Wharton School, University of Pennsylvania. David McCahan, Wharton School, succeeds Mr. Riegel as vice-president.

C. A. Kline, Wharton becomes secretary-treasurer, succeeding J. E. Parrington, University of Iowa. Mr. Loman and G. W. Gable, University of Illinois, were elected on the executive committee, with J. H. Magee, University of Maine, and E. L. Bowers, Ohio State University, remaining. Messrs. Loman and Gable succeed R. H. Blanchard, Columbia University, and William Leslie, National Bureau of Casualty & Surety Underwriters, New York.

Dismiss Western Adjustment Ouster Suit in Ohio

On application of the attorney-general, the ouster suit that was brought against Western Adjustment in the Ohio supreme court has now been dismissed. This action was brought in the name of the attorney-general but without the knowledge of that official. It was actually instituted by F. S. Monnett, who was attorney-general of Ohio years ago. He had himself appointed a special deputy attorney-general and then brought the quo warranto action.

Monnett had a claim against Dubuque F. & M. which was handled by Western Adjustment. The insurer denied liability. Monnett complained to the Ohio insurance department and to the secretary of state but failed to get any official support. He got himself appointed special attorney-general while Attorney-general Duffy was in France. Mr. Duffy returned the other day, the situation was explained to him and the suit was dismissed.

C. V. McCarthy Resigns from America Fore

Charles V. McCarthy, secretary of the fire companies in the America Fore group, has resigned. He has been with America Fore since 1922 in the coast department at San Francisco.

Edmundson to Confer in N. Y.

H. Clyde Edmundson, assistant secretary of America Fore in the Pacific Coast department, will be in New York to confer with head office executives next week. He expects to be in Chicago on his way to New York next Tuesday. John A. Carlson, Pacific Coast manager of America Fore, died just recently.

Companies Advance Moore and Minner

Named Secretary, Assistant Secretary, Respectively by Home Affiliates

NEW YORK—Directors of the National Liberty and Baltimore American (of the Home fleet) at their annual meetings, elected David H. Moore secretary and Raymond E. Minner assistant secretary. Mr. Moore's insurance career began in the Great American western department at Chicago. Later he was with the Michigan Inspection Bureau. After world war service he was associated with Critchell, Miller, Whitney & Barbour of Chicago, and then was Michigan state agent National Union Fire. In 1923 he was appointed Ohio state agent of the National Liberty and Baltimore American. Three years later he was transferred to the head office here as superintendent of agents for the western department.

Moore Also Director

In 1929 he was elected assistant secretary, becoming a director of both companies in 1934. He is a nephew of T. C. Moore, vice-president Potomac, Washington.

Mr. Minner, after four years with the Illinois Inspection Bureau was appointed Illinois state agent of the Aetna Fire in 1923, resigning five years later to become Illinois and Indiana state agent of the Southern Fire. In 1930 he became associate state agent in Illinois of the Home Fleet. Several years later he was transferred to the head office as supervisor of the eastern field.

Seek to Speed MLU Windup

KANSAS CITY—Several court actions in the immediate offing are expected to move the Manufacturing Lumbermen's Underwriters, defunct reciprocal exchange being liquidated by the Missouri department, into the final phases of dissolution. Circuit Judge Southern has called for a partial report from the commissioner on loss claims Jan. 19.

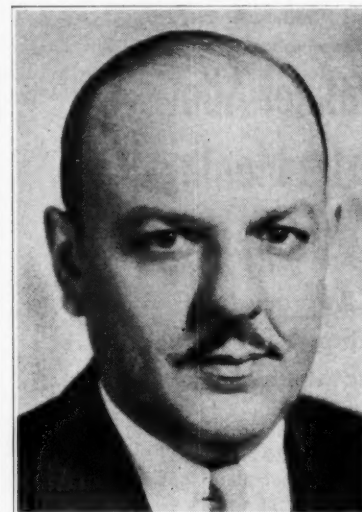
The department is anxious to start paying particular loss claims, and is asking the court for directions on how to compute return premiums, surpluses, etc.

Jenkins to Address Club

MINNEAPOLIS—W. R. Jenkins of the sales research department Northwestern National Life, will be speaker at meeting of the Insurance Club Jan. 9. His topic will be "Big Decisions." The White & Odell agency of Northwestern National is sponsoring the program. The insurance club is made up of fire, life and casualty agents.

Missouri Insurance Superintendent Dies Unexpectedly

Funeral services were held at the Sacred Heart Catholic Church in Columbia, Mo., Wednesday for George A. S. Robertson, Missouri insurance superintendent, who was found dead in his



G. A. S. ROBERTSON

home there Monday morning. Death was attributed to heart attack. Burial took place in Marshall, Mo., his former home. He was 44.

Mr. Robertson's appointment by Governor Stark in October, 1937, to succeed R. Emmet O'Malley of Kansas City caused a split between Stark and T. J. Pendergast, Democratic leader of Kansas City.

Mrs. Robertson was taken to a Kansas City hospital over the past week end. She has not yet fully recovered from injuries received in an automobile accident that occurred in 1937 while she was attending the meeting of the National Association of Insurance Commissioners in New York with her husband. She was brought to Columbia in an ambulance to attend the funeral services.

Mr. Robertson had been an insurance agent in Marshall prior to his first connection with the Missouri department as chief deputy to Superintendent O'Malley during the administration of Governor Park. Prior to O'Malley's appointment Robertson had received some political backing for the post. Governor Park compromised by naming O'Malley as superintendent and Robertson as deputy.

In September, 1936, O'Malley announced that he had dropped Robertson. The latter blamed his dismissal on "differences of policy."

When Governor Stark was elected to office he announced that O'Malley would be kept as superintendent on probation. This move was intended to satisfy Pendergast who had asked that O'Malley be reappointed. O'Malley continued in office when his four year term expired on June 30, 1937. Then in October of that year Governor Stark announced that he had appointed Robertson to succeed O'Malley.

Following his removal as deputy superintendent Robertson had been connected with a bank in Columbia.

Robertson's sudden death came on the eve of the convening of the new Missouri assembly and definitely ended reported plans of the Pendergast faction to attempt to block Robertson's confirmation by the senate.

It also terminated any plans that Attorney-general McKittrick may have had to make political capital of the suit filed by counsel for Robertson some weeks ago seeking advice as to how he should proceed in returning to policyholders excess premiums impounded by the Cole county circuit court.

THIS WEEK IN INSURANCE

Edward Jay Wohlgenuth, founder and president of The National Underwriter Co., died at Ponte Vedra Beach, Fla. **Page 5**

Los Angeles Exchange—Pacific Board agency representation agreement ratified. **Page 3**

F. C. Gustetter is retiring as vice-president and secretary of Phoenix of Hartford after serving the organization 56 years. **Page 3**

Percy Ling is retiring as secretary of North British & Mercantile. **Page 3**

The New Jersey Association of Underwriters will hold its mid-year meeting at Trenton, March 9-10. **Page 28**

R. M. Pennell of Portland Me., president Maine Association of Insurance Agents, has been chosen chairman of the New England advisory board. **Page 3**

The California senate has confirmed the appointment of R. B. Goodell as insurance commissioner, thus foiling the Democratic administration in getting a man of its own political persuasion in the office. **Page 27**

Director Palmer, Illinois, allows extra time to answer cost questionnaire. **Page 3**

G. A. S. Robertson, Missouri insurance superintendent, dies suddenly. **Page 4**

The Pennsylvania Indemnity, a stock participating company, is abandoning that feature. **Page 17**

Temporary receivers are appointed for Broad Street Mutual and Canton Mutual, writers of auto liability under the Massachusetts compulsory law. **Page 21**

Faneuil Hall Mutual Liability has been incorporated in Massachusetts to write automobile liability insurance under the compulsory law. **Page 21**

President of The National Underwriter Is Dead

**E. Jay Wohlgemuth
Succumbs After Lengthy
Illness in Florida**

Funeral services were held in Cincinnati Saturday afternoon for E. Jay Wohlgemuth, president of THE NATIONAL UNDERWRITER COMPANY and of the Rough Notes Company, who died in Ponte Vedra Beach, Fla., after a lingering illness at the age of 63.

On "Black Sunday" when the Ohio river approached its peak at Cincinnati, during the January, 1937, flood, Mr. Wohlgemuth drove to the office to see if it had been affected by the record breaking level of the water. On his way home his car crashed into a safety zone. The street lights were out because of failure of the electric plant and driving was difficult in the fog and darkness.

Although his doctors said his illness was due entirely to natural causes, Mr. Wohlgemuth did not appear to recover entirely following the shock of the accident, in which he received a stunning blow on the head. During the following summer, which he spent at his cottage on the St. Lawrence, Mr. Wohlgemuth was nervous and unable to rest. He returned to Cincinnati, where he remained a short time, and then went with Mrs. Wohlgemuth to his winter home at Daytona Beach, Fla. A few months later they removed to the Inn, Ponte Vedra Beach, where it was more convenient to receive medical attention. They remained there until his death, Mrs. Wohlgemuth staying at his side for 14th months.

Services at Avondale Church

Mrs. Wohlgemuth and her daughter Betty accompanied the body back to Cincinnati. Services were held at the Avondale Presbyterian Church, where Mr. Wohlgemuth's father-in-law, the late Dr. Charles Frederick Goss, had been pastor and pastor emeritus for many years. It was in this church that Mr. and Mrs. Wohlgemuth were married. The invocation was given by Dr. Jesse Herrmann, pastor of the Second Presbyterian Church, Lexington, Ky., an old friend of the Wohlgemuths, and the service was conducted by Dr. G. Barrett Rich of the Avondale church.

Honorary pallbearers were Abner Thorp, Jr., A. R. Jaqua, E. F. Gray, C. C. Crocker, L. H. Martin, E. M. Heltman, J. H. Rader and G. C. Roeding, all of Cincinnati; C. M. Cartwright, H. J. Burridge, Otto E. Schwartz, James C. O'Connor and Levering Cartwright, Chicago, and Irving Williams, Indianapolis. Mr. Wohlgemuth's business associates, and John L. Shuff, James Albert Green, Arthur Espy, Cecil H. Gamble, V. B. Kirkpatrick, George E. Mills, Ralph E. Clark and Dr. Dudley Palmer, Cincinnati; Paul Steketee, Grand Rapids, Mich., and Dr. Harry B. Martin, Springfield, O.

Mr. Wohlgemuth is survived by his widow, Stella Goss Wohlgemuth, and daughter, Elizabeth Goss Wohlgemuth, and the following brothers and sisters: John F. Wohlgemuth, Hinsdale, Ill.; Albert J. Wohlgemuth, Indianapolis; George J. Wohlgemuth, Armada, Mich.; Mrs. Emma Ewald, Mrs. Geraldine Tobin, and Sister M. Geraldine, Detroit, and Mrs. Louise Griesbaum, Cincinnati. During his sojourn in Florida, Mr. Wohlgemuth's only recreation was a slow drive in his car, accompanied by Mrs. Wohlgemuth.

Relationship with J. L. Shuff

It was interesting to note that Mr. Wohlgemuth's oldest insurance friend in Cincinnati was present and was an honorary pallbearer, John L. Shuff, general agent Union Central Life. When Mr. Wohlgemuth went to Cincinnati to establish the old "Ohio Underwriter" he

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**Partner of 40 Years
Gives Impressions of
Distinguished Publisher**

By C. M. CARTWRIGHT

When a man has been associated with another for well nigh 40 years in business in a partnership and personal relationship and has been a friend for a longer time, he has a very excellent opportunity to study at close hand the characteristics and to reach some conclusions as to the attributes which have had the strongest influence in his activities. Therefore, when word came that E. J. Wohlgemuth, founder and president of THE NATIONAL UNDERWRITER organization, had gone beyond the hills, I was overcome with varied emotions.

Mr. Wohlgemuth was no ordinary man in his mental and spiritual attainments. He was a person of great variety, often of contradictions that one could not understand. I have wondered what inheritance was his that constituted his makeup. At times he exhibited almost unanalyzable antitheses. His life was certainly one of mountains, vales and depressions. Sometimes he revealed characteristics that did not belong to the hilltops, and at other times he was mounting the heights.

Out of the Insurance Picture

During the past 15 years Mr. Wohlgemuth had very little contact with the people in the insurance business. In all of his later years he spent most of his time at the Cincinnati office developing this or that publication, bringing new men into the organization and in various ways extending THE NATIONAL UNDERWRITER's business activities. His purpose was to establish an organization on a firm and permanent basis, one that could function and carry on after his departure. His preoccupation with this kind of a business building program prevented him from attending conventions, calling upon company officials or hobnobbing or fraternizing with those in the business in the same way that the average insurance newspaper man does.

As a result, even though he founded THE NATIONAL UNDERWRITER and initiated and developed most of the publications and services that now make it as extensive a publishing organization as it is, he was not well known to the insurance fraternity generally. He was in no sense a public contact man, but as the one who had a broad vision of what an insurance newspaper might do, how it might serve the insurance business not only through the publication of a paper but in numerous other ways, he was, to my mind, the real genius of present day insurance publishing, a constructive, imaginative force, and it should be interesting to everyone in the business to know something about the kind of a man he was, what his mental processes were and the ideals to which he adhered.

Lacked Early Educational Advantages

As a youth he was compelled to work after leaving high school. He, therefore, lacked some of the educational advantages that would have been a great help and satisfaction to him as he went along. Yet when I had gotten well established in our partnership, and the doctor ordered him to take it easy, he made all plans to leave his business for four years and go to college. He prepared himself for and attended the University of Michigan, and then during a rest year in California went to Pomona College. At Michigan he became a fraternity man and was always interested in that work in later life. The education that he received during those

four years and the cultural journeys that he made afterwards undoubtedly were an immense satisfaction and comfort to him. He loved to stand on the outskirts of the literati even though he had not the special gift to qualify. He produced in the Literary Club of Cincinnati of which he was a member, some very readable material and developed some interesting theses. For instance, I would say that Mr. Wohlgemuth was an authority on the life of Stephen C. Foster, well known writer of American folk songs, author of "My Old Kentucky Home," etc. He delved into the literature and life of Foster, reading everything about him that was extant and made some original researches and studies at first hand.

Probably we could count on the fingers of one hand those with whom we have come in contact, who made such a daring adventure as to leave his own business, lay it aside, get entirely away from it, enter the life of the cloister and graduate with honors. That was an exhibition of Mr. Wohlgemuth's great courage and determination.

"E. J.," as all of us in THE NATIONAL UNDERWRITER organization called him, came into the insurance publishing field at a time when most of the papers had but small circulation and were dominated by one man; usually a man who spent most of his time writing editorials, comment, etc., and frequently writing up or writing down companies, which ever seemed to be the most profitable. Mr. Wohlgemuth and Young E. Allison, Sr., of the "Insurance Field," and may I say Mr. Wohlgemuth in particular, are responsible for the modern, up to date, forthright, orderly conducted insurance newspaper.

Had High Business Ideals

E. J. had a high ideal for his business. He took the ground that the insurance business did not necessarily owe an insurance newspaper a cent. He always said that if he could not produce a publication that gave value received, then he did not want any agent or company to give him a thought. His whole ambition was to build up a publication that would appeal to the trade and justify its existence. He rebelled at the thought that he could in any way be subsidized by advertising. In his solicitation of advertising he made it plain that he was not seeking business on account of any special "pull," influence or any service that he might render. He presented advertising as a creator of good will, and if a company thought the advertising as he outlined it had no value then he did not want such a company to buy any advertising from him. He had some very forceful arguments for companies advertising in a paper with a live, selected list of readers.

Joined the Audit Bureau

It was due to his insistence that THE NATIONAL UNDERWRITER became the first insurance paper to join the Audit Bureau of Circulations, which audits each member paper's circulation records and certifies to its subscription list by states and by insurance classifications. Mr. Wohlgemuth took the ground that this was something that the publication owed to the business. He desired to have an accurate, honest listing of just what THE NATIONAL UNDERWRITER provided in the way of circulation. The A.B.C. statement is open to any advertiser. There can be no deceit in it. Mr. Wohlgemuth's early decision to have THE NATIONAL UNDERWRITER become a member of the Audit Bureau of Circulations is just another evidence of the innate honesty that accompanied him all during his career.

Dreamed of the Future

Another trait in him that I often noticed was his constant dreaming and pointing out a course that he wanted to follow in the future. He had in mind certain things that he hoped to accomplish. In his early days in Cincinnati he was wont to go to church and to ride a bicycle for the chief purpose, let it be said, of evolving business plans. He told me that in these

Publisher Is Dead



EDWARD JAY WOHLGEMUTH

two environments he was able to dream, to think and to scheme with greater fruition than any place else. There was something indescribable in the atmosphere in each situation that seemed to affect him.

I can say with all truthfulness that I have never come in close association with a man who was so fundamentally honest in his views as Mr. Wohlgemuth. He had a horror of chicanery. He deplored any effort at make believe. He had no sympathy for glossing over practices that he felt were unethical. He wanted companies and men to travel the straight road and to be thoroughly consistent in what they did. He despised an exploiter, a mercenary promoter, a man who was grafting on his institution. When he was operating his paper as both editor and business manager he unsheathed his sword from time to time and entered the arena. On such occasions he did not hesitate to express himself in very emphatic language. When he felt that we of the editorial department had neglected to score a traitor or plunderer, he was militant in his views and wanted action when action seemed necessary.

Genius In Selecting Men

Now let us come to probably the most successful characteristic that Mr. Wohlgemuth possessed. He had a genius for selecting excellent men. As his organization enlarged, his discriminating ability became more acute. He did not stop there. When he was satisfied that he had the man for the job he gave him much rope, and placed great responsibility on him. He believed in securing man power and surrounding himself with young men of talent, ambition and who had the same conception of business that he possessed. When he felt that he could repose confidence in his associates he let them decide in almost all cases the questions that came up relating to their special departments. In this way he built up a very strong and hard hitting organization.

Loyal to His Associates

E. J. was intensely loyal to the people who were with him and oftentimes I felt that he was too lenient with someone who did not deserve the cordial treatment accorded him. Yet however loyal he was, at the same time he often exhibited the conviction that in order to keep a man strictly in line it was necessary at times to almost crush him. I have seen Mr. Wohlgemuth humiliate men in his organization to a point where

(CONTINUED ON PAGE 9)

New Agency Appointments for Iowa Association

DES MOINES, IA.—B. C. Hopkins, president of the Iowa Association of Insurance Agents, announced additional appointments to the legislative committee. R. M. Evans, Des Moines; H. C. Brown of Mason City, Wayne Fluett of Charles City, Dick Bell of Atlantic and E. C. Cady of Burlington. He also announced the appointment of Ted Flynn of Des Moines as a new member of the membership committee. The association has shown a large increase in membership since Sept. 1, and at present nears the 275 mark. It has set a goal of 300 members by Sept. 1 in 1939.

Instructors Parley in Memphis

The annual Fire Department Instructors Conference in Memphis next week is expected to draw an attendance of about 200. It is sponsored by the Fire Prevention Department of Western Actuarial Bureau with R. E. Vernor as chairman.

Insurance men appearing on the program include Col. Clarence Goldsmith and George Stahl, National Board; E. T. Holman, Tennessee Inspection Bureau; A. H. Gent, Illinois Inspection Bureau; R. G. Loughhead, Michigan Inspection Bureau; Capt. Hugh C. Owsley, Missouri Inspection Bureau, and J. Burr Taylor, Western Actuarial Bureau, who is Conference secretary.

Smith Heads U. S. Crop Insurer

Leroy K. Smith of Nebraska has been appointed manager of the Federal Crop Insurance Corporation. He has been acting manager since Roy M. Green of Topeka resigned last August to join the Farm Credit Administration.

Hail insurance people are much interested in ascertaining the average rate on premiums paid and liability on risks assumed by Federal Crop Insurance Corporation in connection with the 1939

wheat crop. Complete tabulations of this material are now being made, according to Mr. Smith. The premium varies from farm to farm. The tabulation that the corporation is making will show the average by states and should be available in the next few weeks.

New York Department Dinner

Present and former staff members of the New York department will hold their tenth annual dinner Jan. 5. In addition to Superintendent Pink, former Superintendents Hotchkiss, Phillips, Stoddard, Beha, Conway and Van Schaick are expected to attend. J. J. Hoey, formerly deputy superintendent, now collector of the port, will be toastmaster.

Holmes Analyzes Record of Audits

Commissioner Holmes of Montana has made an analysis of convention examinations that have been called during the last six months of 1936 and for the years 1937 and 1938. This discloses the number of examinations which various states have called on domiciled companies and the number of examinations of foreign companies in which the same states have participated together with the percentage of participation of the various states in examinations conducted outside their boundaries. He has sent this analysis to insurance commissioners of other states. It is based on the report made at the Des Moines convention by Jess G. Read, Oklahoma commissioner.

J. Henry Doyle, general counsel for the National Board, was inducted into office as councilman in his home town, Glen Ridge, N. J. He was elected for a three year term and without any opposition at the recent election. Mr. Doyle takes an active interest in the affairs of his suburb and is affiliated with many civic organizations.

John W. Schlehr, 67, prominent South Buffalo, N. Y., local agent, died.

Eagle Star Names Yount in Illinois; Advances Ballou

NEW YORK—Two field appointments announced by H. G. Casper, United States manager Eagle Star, are those of Fred W. Ballou as state agent for Maine, New Hampshire, Connecticut and Rhode Island and Howard W. Yount as special agent in Illinois and southern Wisconsin.

Mr. Ballou, who succeeds P. N. Gilbert, Jr., resigned, was special agent under the latter for two years and previously was at the company headquarters. He will continue to make headquarters in Boston.

Mr. Yount after graduating from Armour Institute served the Illinois Inspection Bureau for four years, then became an underwriter and engineer of Warner's Cannery Exchange in 1935, which connection he leaves to assume his new post. He will make headquarters in the Chicago office and serve as associate to State Agent L. C. Larson.

Cleveland Agency Rounds Out Three Score and Ten

The Cleveland Insurance Agency of Rock Island, Ill., is celebrating its 70th anniversary this year. H. H. Cleaveland, Sr., is head of the agency, the other partners being H. H. Cleaveland, Jr., and F. B. White. Mr. White is a son-in-law of the president of the agency. The organization was founded in 1868 by W. H. Hayes and H. C. Cleaveland. H. H. Cleaveland, Jr., represents the fourth generation of the family in the firm. The head of the agency has been connected with it more than 48 years.

The original firm, Hayes & Cleaveland, was a father-in-law and son-in-law partnership. Mr. White became associated with the agency 11 years ago. When the local agency was formed, H. C. Cleaveland, Sr., organized the American National Fire, he being president. It retired in 1911, reinsuring in the North

British & Mercantile. In 1917, as an outgrowth of the activities of the agency the Bituminous Casualty was organized. It is an active company enjoying a premium income of about \$5,000,000 a year. In Monday's Rock Island "Argus" the Cleaveland agency occupied five pages, presenting historical sketch and other features of interest.

To Have New Building

DES MOINES, IA.—The Western Mutual Fire announces plans for the erection of a new home office building here. President D. C. Milligan said the new quarters to be erected on the corner of Ninth street and Grand avenue will be ready for occupancy by June 1. It will be one story high with a large basement which will feature a large room for agency meetings.

John F. Bruns, assistant treasurer of the Bruns Company, prominent local agency in Syracuse, N. Y., was severely injured during a skiing trip in Canada last week. Mr. Bruns, who is an enthusiastic skiing devotee, and former official in the Syracuse Skiing Club, was spending a week about 60 miles north of Montreal in company with a friend. Mr. Bruns had a bad spill, and the ski pole caused a severe gash over one eye. He was rushed to a hospital in Montreal where it was feared at first that he was suffering a fractured skull. However, x-rays disclosed that this was not true.

Albert Deisseroth, manager and vice-president of the Bruns agency, accompanied by Mrs. Deisseroth, left for Montreal to spend the weekend with friends. It is expected that they will bring Mr. Bruns back to Syracuse with them.

Robert Newbould, who retired in 1933 as secretary of the North British & Mercantile, died Sunday after a brief illness. Funeral services were held from his home at New Brighton, Staten Island, N. Y. He came to this country in 1891 and started with the Commercial Union.



NORTH STAR INSURANCE COMPANY

90 JOHN STREET, NEW YORK

200 BUSH STREET, SAN FRANCISCO

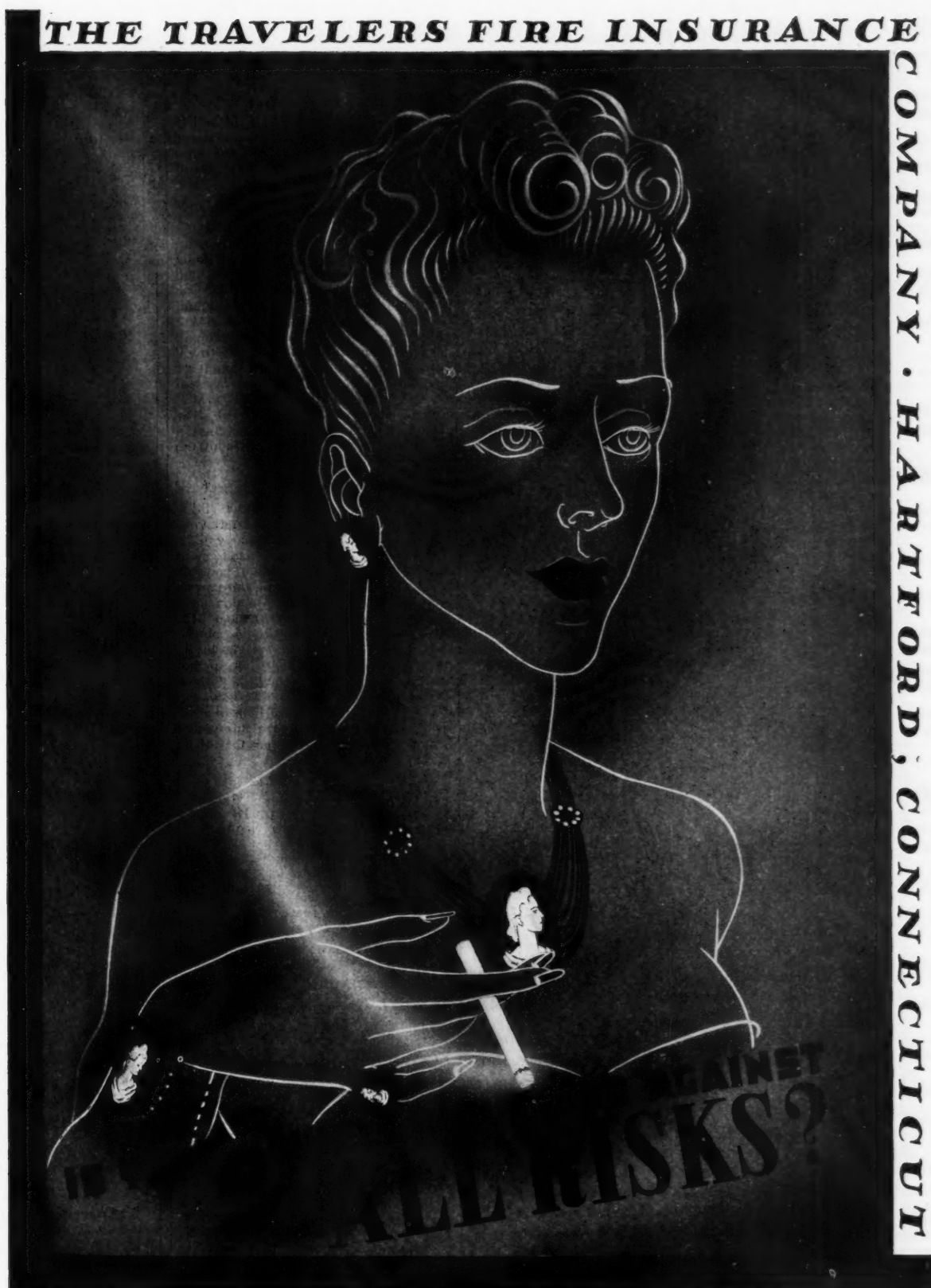
Items from Financial Statement of September 30, 1938:

Capital	\$ 600,000.00
Surplus	1,754,759.07
Loss Reserve	236,924.00
Premium Reserve	1,832,445.45
All Other Liabilities	45,830.34

Total Admitted Assets . . . \$4,469,958.86

Securities carried at \$374,693.84 are deposited
in accordance with law.

Fire and Allied Lines Reinsurance



From a brilliantly colored window-display poster furnished to Agents by The Travelers Fire Insurance Company and The Charter Oak Fire Insurance Company, Hartford, Connecticut

NEWS OF FIELD MEN

Plans Formulated for New Mountain Association

DENVER—Plans were formulated at a meeting here for the creation of an association comprising representatives of non-affiliated and Western Insurance Bureau companies operating in the mountain territory.

R. M. France, state agent of Firemen's of Newark, served as temporary chairman and appointed an organization committee consisting of: W. E. McCullough, general agent, chairman; O. M. Moore, Firemen's; A. J. Reed, Jr., Merchants of Colorado; Harold Trautman, Northwestern National.

Another committee was appointed to select a name for the organization. It consists of C. H. Hardin Smith and P. J. Ferretti.

Simington, America Fore, Dies

Ralph Simington, farm state agent in Iowa for America Fore, died in United States Veterans Hospital, Des Moines, at the age of 49. He had been in failing health for about nine months and had been hospitalized about three months. He had been with the America Fore farm department about 10 years, serving part of that time in Wisconsin. He formerly operated a local agency for seven

years at Parker, S. D. The western headquarters were represented at the funeral by Farm Superintendent J. J. LaNoue and Hail Superintendent B. R. Walinder.

Halloran, Harrington Change

BOSTON—W. F. Halloran, associated with the New England department of American of Newark group for 15 years, has been appointed special agent by American and Columbia Fire in Connecticut. Russell Harrington, who has been travelling Connecticut, western Massachusetts and Vermont, will devote his time in future to western Massachusetts and Vermont.

West Virginia Field Meet Jan. 25

The annual meeting of the West Virginia Fire Underwriters Association will be held in the Mayflower hotel, Washington, D. C., Jan. 25. R. B. Apperson is president. A. S. Whiteley of Wheeling is secretary.

Hold Gathering in Seattle

SEATTLE—President H. C. Dunn of the western Washington division of the Special Agents Association of Pacific Northwest announces the speakers' program for the annual meeting Jan. 6.

Speakers include Morsman Condit, state agent St. Paul group, on "New Personal Property Floater"; State Agent Stanley Stillman, Royal-Liverpool groups at Portland, on "Interest of Assured as Lessee"; Roy Martin, Jr., of Swett & Crawford, on "Some Observations on Use & Occupancy"; J. M. Roddy, branch manager, Fire Companies Adjustment Bureau, "Phases of Loss Adjustment." W. H. Maloy, special agent Great-American-Phoenix, Seattle, will be toastmaster.

Florida and Georgia Meetings

Florida Blue Goose will meet at Tampa Jan. 12, with a splash the preceding evening. Joseph Knowlan, grand supervisor is to represent the grand nest. On his way to Tampa he will stop in Atlanta to confer with Georgia pond leaders, who have been invited to attend the Tampa conclave. The Georgia pond will have a business meeting Feb. 20 at Atlanta. George Edmondson, Tampa, deputy most loyal grand gander, will attend.

The Florida Blue Goose is making special preparations. G. E. Edmondson of Tampa, most loyal gander of the Florida pond, announces that this will be a ladies' party and the members are urged to bring their wives. Mr. Knowlan will be accompanied by Mrs. Knowlan. Tampa is Mr. Edmondson's home. There is to be a get together party the evening of Jan. 11. There will be an initiation the afternoon of Jan. 12 and then the semi-annual banquet and dance will be held that evening.

Wisconsin Chairmen Named

MILWAUKEE.—The Wisconsin Fire Underwriters' Association completed its committee set-up. H. C. Busack, vice-president, is general chairman of public relations, and A. G. Meredith, Oshkosh, co-chairman. Each of the fourteen zones into which the state has been divided will have a chairman from both field men and agents. Experienced speakers from the field will address various meetings.

Other committee chairmen appointed by President D. W. Swanson are: Library, G. A. Strasen; contact, C. W. Hutchinson; legislative, C. H. Dachenbach.

Kansas Gathering Jan. 10

The Kansas Fire Underwriters is holding the bi-monthly field club meeting in Topeka Jan. 10. A meeting of Kansas Blue Goose will be held there the 9th, several goslings being scheduled to have their pin feathers plucked. The annual meetings are scheduled for Wichita in May.

Olds, Kerans in Change

Kelsy J. Olds, state agent Corroon & Reynolds companies with headquarters in Los Angeles for the past four years, has been transferred to the Pacific department in San Francisco in charge of automobile and inland marine departments. J. P. Breeden, vice-president, announced. Mr. Olds has had long experience in inland marine and his transfer to coast headquarters indicates a more aggressive attitude on the part of the general agency in this field. Mr. Olds will be succeeded in Los Angeles by V. S. Kerans, who has been with the office for several years.

Charles King Reenters Life Field

Charles King of Decatur has resigned as Illinois special agent for the Crum & Forster companies in order to engage in the life insurance business with which he is familiar. For many years prior to engaging in fire insurance, he had a supervising life insurance position.

Mr. King's territory will be in charge of R. H. Gregg of Peoria, Illinois state agent of Crum & Forster. A new special agent will be assigned to help Mr. Gregg shortly. Mr. Gregg is well known in that field, as he formerly

traveled Mr. King's territory. Mr. Gregg is now president of the Illinois Fire Underwriters Association.

Spaulding Is Granted a Leave of Absence

H. G. Spaulding, state agent of the Great American group in Florida, has been granted a leave of absence due to ill health. During the interim, Special Agents A. S. Doughridge and S. G. McKeel will be in charge with headquarters in the Telephone building at Lakeland, Fla. Mr. Doughridge is being transferred to Florida from Pittsburgh. He has been with the group for a number of years in the home office and field. Mr. McKeel has been in the Florida territory for a few months. He had previously been at the head office.

J. P. Carroll Joins Glens Falls

John P. Carroll, heretofore with Scottish Union & National in the mountain field, has joined Glens Falls as special agent for Colorado, New Mexico and Wyoming and the affiliated Commerce in Colorado and Wyoming. He takes over the work of Chester Long, who has resigned. Headquarters are in the Symes Building, Denver.

Mr. Long has joined the Southwestern Fire general agency in Phoenix, Ariz.

New York Annual Meeting

The annual meeting of the Underwriters' Association of New York State will be held in Syracuse next Tuesday morning. On the previous day the executive committee will hold its regular meeting.

Will Have New Year's Party

Something in the nature of a surprise will be in store for the members of the Syracuse Field Club when they hold their annual New Year's party Saturday. The committee, headed by William Hutzfeldt, has not yet announced what the program will be. For years the annual New Year's party of the Syracuse Field Club was looked forward to by those who were privileged to attend.

Oregon Specials in Meeting

PORTLAND, ORE.—C. F. Carlisle, president Oregon division of Special Agents' Association of the Pacific Northwest, presided at the annual meeting this week.

Dan Smith Puddle to Meet

Dan T. Smith puddle of Blue Goose annual meeting will be held Jan. 17 in Decatur, Ill.

South Dakota State Fire Prevention Association will make an inspection of Salem, Jan. 17.

About 50 members of the Wisconsin Women of the Blue Goose attended the monthly meeting and Christmas party.

The Fire Prevention Association of Ohio will make a survey of Tiffin, Jan. 18. J. Burr Taylor, Western Actuarial Bureau, will be the principal speaker.

Several field men of the St. Paul F. & M. group spent holidays in St. Paul, including E. R. Timberg, special agent Detroit; R. O. Albrecht, special agent Des Moines; and Floyd Brady, special agent, Detroit.

Badger Mutual in Ohio

The Badger Mutual Fire of Milwaukee has been licensed in Ohio, according to an announcement from Gerry Kamper, secretary. The National Mutual Insurance Agency at Columbus is general agent for the entire state. Carl Crispin is manager, Howard Arnsbarger sales manager, and Charles Margraff, assistant sales manager. The Badger is now licensed in addition to Ohio in Minnesota, Wisconsin, Illinois, Michigan, Pennsylvania and North Dakota.

David Doyle has sold his interest in the Kellar-Doyle mutual fire agency of Conway, Ark., to William Dunaway of Little Rock. The agency continues under the name Kellar-Dunaway.



There's one man you always like to see and talk with — the man who brings you *ideas*. That's the kind of man who is field man in your territory for the Boston and Old Colony. He's a valuable working partner for the agent who wants to increase his premium income. When he comes to see you, if you are our representative, he brings a brief case full of plans and material that mean profit — and he helps you use them effectively in your daily work.

Naturally, he's grounded in the fundamentals of insurance, office management and selling. He is ready to help you make surveys, plans, recommendations. He will help you analyze your advertising and selling problems and will show you a complete portfolio of material that is ready for your use — folders, tested letters, workable plans for selling all the lines that are needed in your territory, practical complete plans of progress. He keeps his agents posted on business and insurance news in general, on trends, changes in coverage, etc. He's a man with profitable ideas — ready to help you put them to work.

Are you interested? Then write for a copy of the booklet "Planned Progress," which tells the full story about an unusual kind of cooperation all along the line.



BOSTON INSURANCE COMPANY
OLD COLONY INSURANCE COMPANY
87 Kilby Street, Boston, Massachusetts

Partner of 40 Years Gives Impressions

(CONTINUED FROM PAGE 5)

I felt a sense of rebellion. Yet, after that occurred, if any other person had attempted to criticize the very man he had pilloried he would become outraged and immediately take up the cause with a great vehemence.

I want to mention now a situation that I think can not be duplicated, at least in the insurance publishing business. I have never been a salesman. Mr. Wohl-gemuth recognized that. He knew that I would be a failure along production lines. In fact, he did not want me to dip into the business department of the company to any great extent. He had me associated with him as the editorial director. During all these 40 years when Mr. Wohl-gemuth could have commanded at any time he never told me that I must do this or that I must not do that. He left everything to my own judgment.

Placed Responsibility on the Editor

Not very many years ago he wrote an article which I felt was indiscreet because he did not have the complete picture. However, as he had taken much time on this contribution I decided to print it because I concluded he might feel hurt if I did not. As I feared, there was quite a severe criticism on the part of the officials of the company concerning which he had made some observations. I spoke to him later about it and this was his reply:

"You cannot hold me responsible for the criticism that we have drawn from this company. It was your business to decide whether my stuff should be run or not. You should have had sufficient sagacity and insight to have thrown it away if you felt that it was injudicious or inaccurate."

Organization of Men

E. J. never at any time sought to glorify himself or have the spotlight thrown on him. He opposed a one-man organization. He did not desire to have any special individual sought out for special commendation. He built an organization of men and not of a man. He was always eager for those down the line to share in any deserved credit. While he was the leader of our orchestra, so to speak, he was never a showman. He was eager to build an orchestra that played always in harmony. On it he desired praise to go, not to the man who wielded the baton. It is true his organization has soloists but their importance rests in their ability to merge their talents with others. He realized a one-man organization falls or depreciates when he steps off the stage. That he sought to avoid.

Drew Heavily on His Reserve

Those who never called upon E. J. at Cincinnati or who did not see him actually at work in his office could not have any real understanding of his operating methods which were, to say the least, most unusual. He could not work in a calm, deliberate manner. He was tense in everything that he did. He plunged into a task with almost a ferocity. He burned gallons and gallons of gas, so to speak. He literally burned himself out. In this way his reserve was impaired. Frequently I saw him when he would be on some task and would be compelled to lay off for a few days in order to rest and restore his energy.

Although he was the president of the company and responsible for each one of its business enterprises, when he was promoting or developing one particular publication he had no time or thought for any other. He would concentrate himself wholly upon the particular thing at hand. He would work on it day and night. He would talk nothing else even when other subjects were introduced by his associates. He would go on day after day developing

additional schemes for the new or ailing enterprise.

He would send out big mail campaigns, and would insist upon the sales organization centering their activities upon the one thing that was engrossing him at the moment. In this way he hammered ahead, almost demanding that everyone else in the organization go along with him until he had put whatever he was working at on its feet. It was his terrific driving ahead on one thing at a time that established the various publishing activities of THE NATIONAL UNDERWRITER. This way of doing things was sometimes expensive and even extravagant, but the outstanding

thing about it was that it got the results. He "put over" whatever he was doing through sheer vitality and energy. He could be intensely and almost exclusively interested in putting one of our publications on its feet financially, and yet a year later he might have no real interest in it at all, simply because it had reached the profit making stage and he felt that it no longer needed his attention. It was left to some one else who was held responsible for it.

It was his wont to be impulsive and to sometimes say bitter and unkind things that he later regretted. But when his health became impaired he seemed to be a transformed man. There

was a mellowness, a kindness, a thoughtfulness for others that made him benign. In the later days when he was far from his office he had in mind always the personnel of his company. The greatest comfort that he received during his last months were the letters that came to him from the men and women of THE NATIONAL UNDERWRITER family. He became very sentimental, his whole heart was with the organization, and he seemed intent on its continuity.

Realizing that he might not get back into the harness, he arranged for the trusteeship of his share in the ownership which insures the stability and continuity of the company that he built.

Drive it Home

The story of what organized stock fire insurance does for the individual and the community is being dramatically told in the current series of National Board advertisements. The good citizenship of its efforts to save life and property is clearly revealed. You can make the value of these services better understood — you can drive it home to your community by using, as a part of your own newspaper campaign, the tie-up advertisements the National Board will provide for you. Get proofs of these and use them all or make a selection — any of your National Board companies will be glad to forward proofs.



HARTFORD FIRE INSURANCE COMPANY

HARTFORD

CONNECTICUT

GENERAL

INSURANCE COMPANY OF AMERICA

HOME OFFICE—SEATTLE

ANNUAL STATEMENT — DECEMBER 31, 1937

ASSETS

Cash in Banks and on Hand.....	\$ 1,485,703.45
*Government Bonds	3,162,632.55
*Other Bonds	3,508,813.09
*Stocks	3,499,561.00
Mortgage Loans	277,925.13
Real Estate	200,397.11
Premiums in Process of Collection.....	1,059,482.17
Accrued Interest and Rents.....	64,202.80
Other Admitted Assets.....	54,599.31

TOTAL ASSETS\$13,313,316.61

LIABILITIES

Reserve for Unearned Premiums.....	\$ 5,708,533.47
Reserve for Losses in Process of Adjustment.....	424,038.88
Reserve for Dividends, Commissions, Taxes and Expense.....	711,377.99
Funds Held Under Reinsurance Treaties.....	325,299.87
Capital	\$1,000,000.00
General Voluntary Reserve.....	697,500.00
Net Surplus	4,446,566.40
Policyholders Surplus	6,144,066.40

TOTAL\$13,313,316.61

*Bonds are stated at Amortized or Investment Values, stocks at values approved by the National Convention of Insurance Commissioners. On basis of December 31, 1937 market quotations for all bonds and stocks owned, this company's total admitted assets would be increased to \$13,423,684.97 and Policyholders Surplus to \$6,254,434.76.

A Strong and Progressive Company for Progressive Agents

NEW YORK OFFICE
111 John St.



CHICAGO OFFICE
209 W. Jackson Blvd.

ST. LOUIS OFFICE
200 North Broadway

coming soon:
"1939's BEST SELLER"



CAMDEN FIRE'S
CHECK-UP plan
... a cavalcade
of advertising

CAMDEN FIRE INSURANCE ASSOCIATION • CAMDEN, N. J.

There will be no foreign element injected into it. In fact, during the later years of his life, Mr. Wohlgemuth spent hours attempting to devise some method whereby THE NATIONAL UNDERWRITER COMPANY could carry out the policies he had inaugurated and which would insure the permanence so far as positions were concerned, of the people connected with it.

Profit Sharing Plan

One of the features in THE NATIONAL UNDERWRITER organization of which Mr. Wohlgemuth was especially proud was the profit sharing plan that he inaugurated some years ago. This not only applies to the key men in the organization but to every employee. That is, there is no participation on the part of stockholders unless those men in key positions who have been with the company a certain number of years, participate. Those who are not in this bonus sharing plan are given a week's wages when bonuses are distributed. In connection with building a substantial organization E. J. inaugurated a reserve system whereby THE NATIONAL UNDERWRITER is fortified by substantial financial ballast, or an investment fund which insures its stability and inspires the confidence of its employees.

So that in the final estimate of Mr. Wohlgemuth with all of his strange and indefinable opposites, there is no one in his particular field that has been so great a constructive builder of men, of material, of publications or of services. Almost all of us who are with THE NATIONAL UNDERWRITER now owe our position to E. J. Had he been a highly dominating force and tried to run a one man institution, none of us would have developed very far. As it is, we have all been placed on our own mettle and have worked out our own salvation. That his death causes no particular jar to the organization is due to the fact that he built with a sagacity and foresight that gives the company itself solid foundations, not built on any one man.

New Representation Plan Is Ratified in Los Angeles

(CONTINUED FROM PAGE 3)

Harold McGee, representing the exchange. Other members of the exchange's committee were William H. Menn, Eugene Battles, Everett Charlton, Thomas Branch and Mr. Perk. The committee sought to enable the board companies to increase their volume of business and at the same time not jeopardize existing agents.

Exchange-Board Rules Dovetail

Under the new plan the Los Angeles Exchange's agency representation rules now dovetail with those of the Pacific Board, said Mr. Perk. Heretofore the board has divided the territory into five districts and has permitted a total of 20 appointments in those districts, whereas the exchange permitted only six for each parent company and its underwriters. The new setup will eliminate the policing of Los Angeles appointments which the exchange has been required to do in past years. For example, in the first eight months of 1938 the exchange asked the board to eliminate 100 subterfuge and illegitimate appointments permissible under board rules, but the companies did not clear those appointments. Under the new plan there will be uniformity in rules and the board will exercise strict supervision over agency appointments. This is a definite concrete gain for the exchange and will greatly reduce police work, said Mr. Perk.

Must Pay Over-Riding Commission

Two important points in the provision are that all agents and brokers outside of Los Angeles county writing fire business covering properties within the exchange district must pay an over-riding commission to an exchange agent and

the exchange agent must be the recipient of a copy of the daily report. Another important point, said Mr. Perk, is that the broker operating in Los Angeles county without exchange membership is not to be recognized by board companies as far as metropolitan district properties are concerned. In the past certain brokers operating even from the exchange district without exchange membership have enjoyed an unrestricted board market. Under the new plan no recognition is given Los Angeles county brokers whether they be exchange members or otherwise. Certified brokers have access to the board market through agent members, but the non-exchange Los Angeles county broker is herewith denied the board market. That is an exceedingly important gain for the exchange, said Mr. Perk.

The provision whereby class B agents are limited to business written by direct solicitation and now are not permitted to write any business for the account of other agents or brokers to be credited with any over-riding commissions upon such business of any kind or nature whatsoever was pointed out as another very important provision by Mr. Perk.

Only Direct Solicitation

A further gain enjoyed by the exchange, said Mr. Perk, is the provision that board agents in Los Angeles county, outside of Los Angeles metropolitan district, may write insurance business covering properties or property interests located inside of the district at full agency commission only when produced by the direct solicitation of such agent and shall not be permitted to accept such business for the account of other agents or brokers. Now the essence of this provision is simply this: That non-exchange brokers and agents operating from the district cannot now effect an agreement with Beverly Hills, Pasadena, Glendale or any Los Angeles county agents to handle board fire business in their behalf. The present exchange by-laws and the board rules provided power to prevent such practice.

Under the plan agents and brokers will not be brought into the business who would not have entered it anyway. Class B agents will be simply those who under any circumstances planned to take out state licenses and who under the previous rules would have, in the majority, represented non-board companies; the small neighborhood real estate dealer, the beginner in the business.

CHICAGO

SOERGER GOES WITH ERION & CO.

Otto A. Soergel, loss superintendent of the Pearl-American fleet, Chicago, re-enters the independent adjusting field associated with Frank L. Erion & Co. of Chicago. This change comes about due to the Pearl moving its western department to New York.

DEATH HITS AMERICA FORE

The western department of America Fore in the closing days of the year was struck by a series of deaths. Daniel F. O'Connor, map clerk, died Christmas morning. Ralph Simington, Iowa state agent for the farm department, died in Des Moines, Dec. 28. Frank J. Chemelick, farm department bookkeeper, died Dec. 31, and Monroe S. Birkeland, chief examiner for Wisconsin and Minnesota, died that same day.

ROY L. DAVIS ON AIR JAN. 15

Roy L. Davis, assistant insurance director of Illinois, will give a broadcast on insurance Sunday, Jan. 15 at 1 p. m. over radio station WJJD Chicago, and WCBF Springfield. This will be one of a series of broadcasts entitled "Your Illinois" that is sponsored by these two stations.

The agency of the late P. L. Yerby of Poteau, Okla., has been transferred to his son, Harold Yerby.

COMPANIES

Republic Planning to Move

The Republic, which has been located at Highland Park, Tex., Dallas suburb, will occupy its new home on Cedar Springs Road, Dallas, next summer. The Republic was formed by a merger in 1919 of the Commonwealth, Austin and International Fire companies, all Jalonick companies. G. W. Jalonick, 86, retired insurance executive, was head of the Austin Fire.

National Union Gives Bonus

PITTSBURGH.—Two hundred employees of the National Union Fire received Christmas bonus of half a month's pay. At the annual Christmas party President J. M. Thomas told the staff operating results for the year were satisfactory.

Merchants of Denver Pays Bonus

Merchants Fire of Denver has paid a bonus to its employees amounting to 7½ percent of their 1938 salaries.

The **Equity Fire** of Kansas City has completed its withdrawal from California.

The **California** insurance department is completing the usual convention examination of the Fireman's Fund companies.

Richebourg Gaillard, secretary of Stonewall of Mobile, has been elected a director of that company. He has been with Stonewall 40 years.

Louisville Board's Annual

The Louisville Board has arranged to hold its annual meeting and election of officers Jan. 11. A luncheon will be served at noon. M. W. Boedeker, the retiring president, has served two years.

NEW YORK

BROKER RESPONSIBILITY DEFINED

A committee of the Insurance Brokers Association of New York has published a tentative proposal for an agreement between brokers and fire, marine and casualty companies defining when responsibility exists and when it does not exist for brokers to pay return commissions on return premiums. The committee has prepared a digest of 32 specific cases as a basis for discussion. The committee takes the position that in general brokers should be responsible for return commissions in usual transactions. Only in definite exceptions to current brokerage operation should the broker be relieved of such payments.

REPORTS ON RESIDENT AGENTS' LAW

W. H. Bennett, secretary National Association of Insurance Agents, reports that progress is being made in the program to devise terms of a resident agent's law that can be recommended by the National association as a uniform measure. Mr. Bennett states that at a meeting of the executive committee of the association in New York, Jan. 16, the law may be ready for consideration.

Mr. Bennett said that agency leaders decided to defer having a conference with company representatives on the question until the agents had pretty definitely formulated their own position. The National association, he said, has now had an opportunity to give more study to the entire subject and to the litigation concerning it. Mr. Bennett points out that special committees of the National Association of Insurance Commissioners and National Association of Casualty & Surety Agents are giving attention to the matter.

PINK IS REAPPOINTED

Governor Lehman of New York in assuming a new term of office announced he had reappointed L. H. Pink, super-

intendent of insurance. Mr. Pink is one of the outstanding commissioners whose work has been signally successful. He is chairman of the New York state board of housing, he being an authority on the subject.

MAJOR J. H. HOWLAND RETIRES

Major J. H. Howland has now retired on pension after 30 years of service in the engineering department of the National Board. He will reside on the country place that he recently purchased at New London, N. H. About 30 members of the National Board staff tendered Major Howland a luncheon and presented him with a ship clock and

barometer. Mrs. Howland, who also attended, was given a bouquet of American beauty roses.

Major Howland has become known as a foremost authority in making surveys of municipal water systems. He graduated from Massachusetts Institute of Technology in 1897. He served as territorial superintendent of public works in Hawaii for some time.

PAYNE EASTERN SUPERVISOR

The Home of New York has made H. A. Payne supervisor in its eastern department. He has been connected with the company since 1921, first as an adjuster in New York City. He was

sent to Indianapolis as adjuster and special agent for Indiana. He was recalled to the home office in 1934 and made assistant general adjuster.

OFFICERS ARE RENOMINATED

The present officers of the Association of Local Agents of the City of New York have been renominated. The annual meeting will be held Jan. 10 in the New York board room. A. J. Smith is president; W. S. Brown, vice-president, and E. S. Jarvis, secretary and treasurer.

The **Mercury** has voted a regular annual dividend of \$18 a share.

Announcing! . . .

Every Sixty Days New Ideas with Cash Value For Millers National Agents

COMPREHENSIVE YEAR 'ROUND



SALES PROMOTION PROGRAM

IF this year you are out to gear up your sales methods—shoot that sales curve upward—look into Millers National's new sales service.

Every 60 days a complete sales portfolio on a seasonal form of insurance is delivered to Millers National agents out on the sales front. These portfolios contain good sales strategy and the right kind of sales ammunition. Good sales strategy because they lay definite plans before attack. Good ammunition because the printed sales helps are first tested to fit the practical needs of an agent.

Would you like to see the latest portfolio? It is on the timely subject of Jewelry Insurance. The recent reduction of jewelry rates has opened up new sales possibilities. Furthermore there are Christmas gifts to be insured. Simply send a request on your own business letterhead and this portfolio will be sent to you without any obligation on your part.

Reviewing this portfolio you will see how naturally it fits Millers National's well-known

PRACTICAL PROSPECTING system which is now in use in practically all of the Company's progressive agencies.

With PRACTICAL PROSPECTING you have your prospects set up in a prospect file in such a manner as to have a complete market analysis at your finger tips at all times. You have those prospects so arranged to save valuable time, shoe leather, and gasoline in your follow-up work.

Now with the new 60-day campaigns you set up a systematic approach to that market. Your approach in each case is timely, since coverages are pushed at that time of the year when they sell best.

If, in addition to the latest "Jewelry" sales portfolio, you would like complete details on PRACTICAL PROSPECTING, mention that too in your letter. It will be our pleasure to extend this courtesy to you without obligation. Simply address your letter to Sales Promotion Department, Millers National Ins. Co., 175 W. Jackson Blvd., Chicago.

Established 1865
MILLERS NATIONAL
Insurance Company • CHICAGO
Service Headquarters for Alert Agents

EDITORIAL COMMENT

Special Entry for Property Floater

INSURANCE SUPERINTENDENT MCNAIRN of ONTARIO is requesting that the fire companies complete a separate entry in the 1938 annual statement blanks, giving segregated experience on the personal property floater. That may be a wise decision. The personal property floater occupies a peculiar niche of its own. It would be interesting and worth while for the business as a whole to know what the actual experience has been with this important newcomer in the insurance field. The experience on the form is now a trade secret in this country.

If the experience were ascertained

from year to year, the underwriting of this line could be more intelligently done. An individual company knows what its own experience has been but all underwriters are pretty largely feeling their way and do not possess the pride of method that is possessed by conventional fire underwriters. It will be helpful to an underwriter, knowing something about the policy pursued by another company, to ascertain the results. The personal property floater, it seems to us, comes close enough to constituting a class of its own, to justify a special entry in the annual statement blank.

Heartening Decrease in Fatalities

THE figures of the year relating to automobile fatalities released by the TRAVELERS show a notable decrease in number. Indeed, they were 19 percent below that of 1937, which is the finest record that has been shown in five years. When the NATIONAL SAFETY COUNCIL mobilizes its figures for 1938 on the same subject they probably will comport rather closely with those of the TRAVELERS. It is gratifying

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THERE are already a number of business reviews of the year being made relating to insurance. Most of them strike an optimistic chord. Regardless of the solicitude in business circles, the fear of what may be done in Washington and the political influences that are always at work, the

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At the time these were written the business was regarded as very profitable.

The directors decided to bring to the front E. ASBURY DAVIS to head the organization. He was without insurance experience. The problems of the U. S. F. & G. were not insurance so much as banking and salvaging. Mr. DAVIS had no obliga-

tions to any one in the company. He was given a free hand. With a keen, penetrating business mind he concentrated on conserving the company, meeting the demands and having it emerge with credit. It is a splendid example of what can be done when intelligent business methods are used with no hampering hand.

PERSONAL SIDE OF THE BUSINESS

A. L. Macpherson, retired Kentucky state agent for St. Paul F. & M., lost his brother, Samuel A. Macpherson, who had been an invalid for some years as a result of an automobile accident. The deceased was an uncle of Franklin Macpherson, state agent for Hanover in Kentucky.

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Horace P. Hobson of Somerville, Tenn., local agent and representative of Phoenix of Hartford since 1881, died at the age of 88, following an illness of one month, the result of a broken hip. Mr. Hobson began the practice of law in 1873 and served five terms in the Tennessee legislature.

Overton Abernathy of the Featherston-Abernathy Company, Wichita Falls, Tex. agency, a director of the Texas Association of Insurance Agents, died from pneumonia. Burial was in Waxahachie.

C. M. Havens, 76, of the C. M. Havens & Son agency, Plainfield, Ind., died after two weeks' illness. For many years he adjusted losses for the Aetna and Hartford Fire in Indiana and was a stockholder and director of the Sterling Fire which operated some years ago at Indianapolis. His son H. S. Havens was associated with him in the agency and B. V. Havens, another son, is manager Indiana branch Hartford Accident at Indianapolis. Four years ago Mr. and Mrs. Havens celebrated their 50th wedding anniversary, she having died a year later.

G. L. Schetky, the well-known British Columbia insurance association official and resident of Vancouver for more than 50 years, died at his home. He was born in Philadelphia in 1867, and was one of the most colorful and outstanding pioneer figures of British Columbia's

largest city and district. He was a member of the first Vancouver volunteer fire brigade which helped to fight the fire which destroyed the city in 1886. At the time of his death, Schetky was secretary of the British Columbia, Vancouver Insurance Agents Association (at one time its president); Association of Marine Underwriters of British Columbia; Insurance Institute of Vancouver; Mortgage & Trust Companies' Association of B.C., and Insurance Board of British Columbia.

Walter S. Gierasch of Boit, Dalton & Church, Boston, is retiring. He entered the old agency of Robert A. Boit upon graduation from Harvard in 1901 and became a partner in Boit, Dalton & Church in 1928 when that agency was formed.

Commissioner Owen B. Hunt of Pennsylvania has been on a trip to the Pacific Coast.

Miss Jane H. Perry, St. Paul F. & M. home office, after 34 years' service retired on pension Dec. 31. For many years she was private secretary to F. R. Bigelow, now board chairman. When she entered the service in 1905 she was one of three women employees in the home office; now there are 105. Associates gave a dinner in her honor.

B. N. Carvalho, president of Rossia and of Metropolitan Fire Reassurance, is bereaved by the death of his wife, Jesselyn Emily Carvalho. She died suddenly at the Carvalho home in West Hartford. Funeral services were held Monday of this week.

Mrs. Carvalho was 61 years of age. She leaves four sons and a daughter besides her husband. Three of the sons are insurance men. John B. Carvalho is a vice-president of Rossia; Curtis P. B. is vice-president and treasurer of American International Underwriters and B. N. Carvalho, Jr., is connected with Fire Association in Philadelphia.

Mrs. Bethel Miller, whose husband is A. R. Miller, Illinois state agent for America Fore, died after a lingering illness. Burial was in Mt. Emblem cemetery. The Miller home is in Oak Park, Ill.

The Schneider agency of Kankakee, Ill., got out a clever New Year's greeting in the form of Vol. A-No. 1-Circulation 500 (We're Boasting a Little) of "The Riverbank Breeze." This was gotten up in newspaper style. The editor in chief was W. A. Schneider. The society editor was Dorothy G. Marlow, the pen name of Mrs. W. A. S. Other members of the Schneider family handled such specialties as science and religion, history and sports, assistant sports and comics, railroading and aquatics. The



THE NATIONAL UNDERWRITER

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SAN FRANCISCO OFFICE—507-4-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

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"Breeze" contained various items about the doings of the editors and assistant editors. Among the items was the information that Assistant Editor James Schneider will enter Kankakee High School next September. His pre-high school training includes instruction in ballroom dancing and the Lambeth walk.

Mrs. L. L. Waters, secretary-treasurer of the H. C. Baldwin Agency, Indianapolis, is taking a month's vacation in Honolulu. She has been with the agency since 1922.

H. F. Steele, 79, who until retirement five years ago, was head of Peoria's oldest general insurance firm, Roswell Bills & Co., died. He was born at Romulus, N. Y., in 1859, and was graduated from Princeton in 1883. He was a classmate there of two others who went from Peoria, Walter Horton, and John Grier Hibben who later became president of the university. Mr. Steele went to Peoria and became head of Roswell Bills & Co. in 1895. He was well known as an after-dinner speaker.

E. M. Potter, assistant treasurer General Insurors and St. Louis F. & M. returned to his home town, Jonesboro, Ark., to be married to Miss Aleen McSpadden.

Ward H. Coble, 52, Bend, Ore., President of Oregon Insurance Agents Association, suffered a broken leg, injured ribs and scalp cuts in an automobile accident on the Mt. Hood Highway at Rhodendron. The car caught fire but he was rescued by a skiing party. His companion, Jau H. Upton, 50, insurance attorney was killed.

Herbert J. Hodge, 83, Kansas representative Hardware and Implement Mutuals for many years, died at his home in Abilene, Kan. He was secretary National Federation of Implement Associations for 38 years and secretary Western Hardware & Implement Association for nearly half a century. He had retired from the hardware business 20 years ago.

Simon M. Sheldon, deputy insurance commissioner of New Hampshire, was married to Miss Gertrude Gleason of Hancock, N. H.

Frank T. Priest was back in Wichita, Kan., for the holidays following a three weeks' rest in San Antonio, and spent a few brief periods at his desk including the annual Christmas party of the Dulane, Johnston & Priest Agency. Mr. Priest leaves for another rest of undetermined length before resuming his

agency duties, and if he continues to improve expects to be back in harness by March 1 or sooner. He suffered a break-down late in October and following three weeks in a hospital has been recuperating gradually but satisfactorily.

Continuing active participation in political activities, Clyde B. Smith, former president National Association of Insurance Agents, served as chairman of the Ingham county, Mich., Republican committee in the successful fall campaign, was co-chairman in charge of arrangements for the inaugural banquet in Lansing attended by more than 1,000 Republicans. The affair followed inauguration of Governor Fitzgerald.

W. H. Lininger, retired resident vice-president of the Springfield F. & M. group in its western branch, is now located at his winter home near Tucson, Ariz., his address being Box 1151. His son, Homer D., conducts the "Lodge on the Desert" nearby. Mrs. Lininger who underwent a serious operation withstood the trip from Evanston, Ill., in good shape and is now recuperating.

Robert B. Criswell, professor of fire service extension at the University of Maryland, College Park, Md., died of a heart attack just after returning from a fire meeting in Frederick, Md. He was about 45 years of age. He had been at the University of Maryland about a year and had done some outstanding work. Previously for a good many years he was fire department instructor for the Ohio Inspection Bureau with headquarters in Columbus. He was regarded as one of the most talented men in his line in the country.

John P. Young, one of the "Old Guard" of Kentucky field representatives of fire companies, died at the age of 71 in Jewish hospital at Louisville. He was a retired state agent of the New York Underwriters, having eased up a year ago after 50 years' service in the field. He was born in Petersburg, Va., in 1867, entering insurance 1884 as clerk in Merchants Insurance of Louisville. In 1898 he went with the Kentucky & Tennessee Board of Fire Underwriters, and later became special agent Delaware & Reliance in Kentucky and Indiana. Then he was an independent adjuster in Louisville. In 1901 he was appointed special agent New York Underwriters for Kentucky. Following his retirement, he was one of several retiring field men for whom the Kentucky Fire Underwriters Association arranged a special testimonial banquet. He was a son of the late Col.

REJECTED RISKS

A general writing agent with a good life insurance business decided to conduct a campaign among his clients to take advantage of the changes in life insurance options. He went over his facts and lists and phoned several people, getting encouraging reactions. Finally he came to one who seemed like an exceptionally good prospect. The assured listened to his talk carefully, saying "yes" at the right times. At the conclusion, the client said "But my automobile insurance doesn't expire until March."

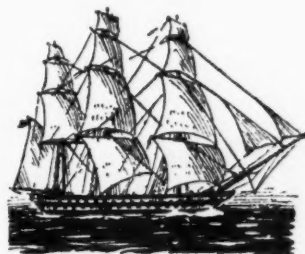
Commissioner Holmes of Montana sends out frequent warnings through the daily press on "Bargain" insurance. His latest is: "Unlicensed insurance and unlicensed securities are as dangerous as a rattlesnake. Investigate before you buy. It is one thing to pay \$3 for \$5,000 of insurance coverage and quite another thing to collect \$5,000 on a \$3 policy."

Phil J. Braun of Newell & Braun of Flint, Mich., has a great flair for things unusual and bizarre. His firm recently received the following letter in connection with a residence burglary loss:

"Enclosed is statement. Will you be kind enough to tell me who did this in your idea. I had last winter been home nights, and found tracks, also they tried to raise different windows while I was in the house. When police came we all thought they were window peepers. I wish to ward off all attempts again. Do they come again? I stayed alone every night. Surely some one sewed, or would they sell this stuff? What I want to know is it a needy family close by? Please tell me your experience."

John D. Young, long a special agent in southeastern territory for the Royal, who was given a gold watch by the Royal for canceling off all risks in Jacksonville, Fla., not long before the great fire in that city years ago. Mr. Young was a member of an old Virginia family, and father of J. C. Young, Virginia special agent Corroon & Reynolds group at Richmond. The late James M. Young, a brother, supervised Virginia for many years for the Georgia Home. John P. Young, Jr., another son, is with the loss department of the American of Newark. Hugh W. Young, a brother, is a retired adjuster of Louisville.

Junius M. Clark of Chicago, executive special agent, and Claude Beattie, Kentucky state agent, represented New York Underwriters at the funeral.



1805

In 1805, the Caledonian Insurance Company came into being. The story of its growth from small beginnings in Scotland into a British Institution with world-wide ramifications is a romance as inspiring as the history of the sea itself. The Company has seen the rise and fall of many institutions but shrewd and conservative finance allied to sound and efficient management has enabled the good ship "Caledonian" to weather all storms.

ACHIEVEMENT

The United States Branch of the Caledonian Insurance Company undertakes all classes of Fire, Motor and Marine Insurance permitted to be written by a Fire Insurance Company.



1939

THE CALEDONIAN INSURANCE COMPANY
UNITED STATES OFFICE: HARTFORD, CONN.
ROBT. R. CLARK, UNITED STATES MANAGER
S. D. McCOMB & COMPANY, INCORPORATED
116 JOHN STREET, NEW YORK
UNITED STATES MARINE MANAGERS

Start the
NEW YEAR
RIGHT



**Sell
RELIABLE
FIRE INSURANCE**

If you want to increase your earnings in 1939, consider selling RELIABLE POLICIES.

As one of our representatives, you deal direct with our home office . . . with experienced "Reliable" officers who thoroughly understand your problems.

Moreover, our state and special agents are always ready to help you. They have been carefully chosen for their long experience in field work, for their understanding of local agent's problems, and for their ability and willingness to help solve those problems. Both our officers and field representatives give you every possible assistance in securing new business. Hundreds of our agents can testify to this.

Well known in insurance circles for its financial stability and prompt payment of all just claims, Reliable has thousands of policies in effect. You'll be proud to represent Reliable.

Write today. Ask us to explain in detail how RELIABLE COOPERATION, and a RELIABLE FIRE INSURANCE AGENCY can mean greater profits and easier selling for you in 1939. Address Wm. F. Kramer, President; E. J. Weiss, Secretary.



STATE AND SPECIAL AGENTS

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John B. Tetlow 112 Cole Street Peoria, Illinois	Finnell & Finnell 2527 David Stott Bldg. Detroit, Michigan

Now in Our 74th Year



An independent Ohio Company with current surplus to policyholders of \$1,116,945.00

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Horace P. Hobson of Somerville, Tenn., local agent and representative of Phoenix of Hartford since 1881, died at the age of 88, following an illness of one month, the result of a broken hip. Mr. Hobson began the practice of law in 1873 and served five terms in the Tennessee legislature.

Overton Abernathy of the Featherston-Abernathy Company, Wichita Falls, Tex. agency, a director of the Texas Association of Insurance Agents, died from pneumonia. Burial was in Waxahachie.

C. M. Havens, 76, of the C. M. Havens & Son agency, Plainfield, Ind., died after two weeks' illness. For many years he adjusted losses for the Aetna and Hartford Fire in Indiana and was a stockholder and director of the Sterling Fire which operated some years ago at Indianapolis. His son H. S. Havens was associated with him in the agency and B. V. Havens, another son, is manager Indiana branch Hartford Accident at Indianapolis. Four years ago Mr. and Mrs. Havens celebrated their 50th wedding anniversary, she having died a year later.

G. L. Schetky, the well-known British Columbia insurance association official and resident of Vancouver for more than 50 years, died at his home. He was born in Philadelphia in 1867, and was one of the most colorful and outstanding pioneer figures of British Columbia's

largest city and district. He was a member of the first Vancouver volunteer fire brigade which helped to fight the fire which destroyed the city in 1886. At the time of his death, Schetky was secretary of the British Columbia, Vancouver Insurance Agents Association (at one time its president); Association of Marine Underwriters of British Columbia; Insurance Institute of Vancouver; Mortgage & Trust Companies' Association of B.C., and Insurance Board of British Columbia.

Walter S. Gierasch of Boit, Dalton & Church, Boston, is retiring. He entered the old agency of Robert A. Boit upon graduation from Harvard in 1901 and became a partner in Boit, Dalton & Church in 1928 when that agency was formed.

Commissioner Owen B. Hunt of Pennsylvania has been on a trip to the Pacific Coast.

Miss Jane H. Perry, St. Paul F. & M. home office, after 34 years' service retired on pension Dec. 31. For many years she was private secretary to F. R. Bigelow, now board chairman. When she entered the service in 1905 she was one of three women employees in the home office; now there are 105. Associates gave a dinner in her honor.

B. N. Carvalho, president of Rossia and of Metropolitan Fire Reassurance, is bereaved by the death of his wife, Jesselyn Emily Carvalho. She died suddenly at the Carvalho home in West Hartford. Funeral services were held Monday of this week.

Mrs. Carvalho was 61 years of age. She leaves four sons and a daughter besides her husband. Three of the sons are insurance men. John B. Carvalho is a vice-president of Rossia; Curtis P. B. is vice-president and treasurer of American International Underwriters and B. N. Carvalho, Jr., is connected with Fire Association in Philadelphia.

Mrs. Bethel Miller, whose husband is A. R. Miller, Illinois state agent for America Fore, died after a lingering illness. Burial was in Mt. Emblem cemetery. The Miller home is in Oak Park, Ill.

The Schneider agency of Kankakee, Ill., got out a clever New Year's greeting in the form of Vol. A-No. 1-Circulation 500 (We're Boasting a Little) of "The Riverbank Breeze." This was gotten up in newspaper style. The editor in chief was W. A. Schneider. The society editor was Dorothy G. Marlow, the pen name of Mrs. W. A. S. Other members of the Schneider family handled such specialties as science and religion, history and sports, assistant sports and comics, railroading and aquatics. The



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"Breeze" contained various items about the doings of the editors and assistant editors. Among the items was the information that Assistant Editor James Schneider will enter Kankakee High School next September. His pre-high school training includes instruction in ballroom dancing and the Lambeth walk.

Mrs. L. L. Waters, secretary-treasurer of the H. C. Baldwin Agency, Indianapolis, is taking a month's vacation in Honolulu. She has been with the agency since 1922.

H. F. Steele, 79, who until retirement five years ago, was head of Peoria's oldest general insurance firm, Roswell Bills & Co., died. He was born at Romulus, N. Y., in 1859, and was graduated from Princeton in 1883. He was a classmate there of two others who went from Peoria, Walter Horton, and John Grier Hibben who later became president of the university. Mr. Steele went to Peoria and became head of Roswell Bills & Co. in 1895. He was well known as an after-dinner speaker.

E. M. Potter, assistant treasurer General Insurors and St. Louis F. & M. returned to his home town, Jonesboro, Ark., to be married to Miss Aleen McSpadden.

Ward H. Coble, 52, Bend, Ore., President of Oregon Insurance Agents Association, suffered a broken leg, injured ribs and scalp cuts in an automobile accident on the Mt. Hood Highway at Rhodendron. The car caught fire but he was rescued by a skiing party. His companion, Jau H. Upton, 50, insurance attorney was killed.

Herbert J. Hodge, 83, Kansas representative Hardware and Implement Mutuals for many years, died at his home in Abilene, Kan. He was secretary National Federation of Implement Associations for 38 years and secretary Western Hardware & Implement Association for nearly half a century. He had retired from the hardware business 20 years ago.

Simon M. Sheldon, deputy insurance commissioner of New Hampshire, was married to Miss Gertrude Gleason of Hancock, N. H.

Frank T. Priest was back in Wichita, Kan., for the holidays following a three weeks' rest in San Antonio, and spent a few brief periods at his desk including the annual Christmas party of the Dunlany, Johnston & Priest Agency. Mr. Priest leaves for another rest of undetermined length before resuming his

agency duties, and if he continues to improve expects to be back in harness by March 1 or sooner. He suffered a break-down late in October and following three weeks in a hospital has been recuperating gradually but satisfactorily.

Continuing active participation in political activities, Clyde B. Smith, former president National Association of Insurance Agents, served as chairman of the Ingham county, Mich., Republican committee in the successful fall campaign, was co-chairman in charge of arrangements for the inaugural banquet in Lansing attended by more than 1,000 Republicans. The affair followed inauguration of Governor Fitzgerald.

W. H. Lininger, retired resident vice-president of the Springfield F. & M. group in its western branch, is now located at his winter home near Tucson, Ariz., his address being Box 1151. His son, Homer D., conducts the "Lodge on the Desert" nearby. Mrs. Lininger who underwent a serious operation withstood the trip from Evanston, Ill., in good shape and is now recuperating.

Robert B. Criswell, professor of fire service extension at the University of Maryland, College Park, Md., died of a heart attack just after returning from a fire meeting in Frederick, Md. He was about 45 years of age. He had been at the University of Maryland about a year and had done some outstanding work. Previously for a good many years he was fire department instructor for the Ohio Inspection Bureau with headquarters in Columbus. He was regarded as one of the most talented men in his line in the country.

John P. Young, one of the "Old Guard" of Kentucky field representatives of fire companies, died at the age of 71 in Jewish hospital at Louisville. He was a retired state agent of the New York Underwriters, having eased up a year ago after 50 years' service in the field. He was born in Petersburg, Va., in 1867, entering insurance 1884 as clerk in Merchants Insurance of Louisville. In 1898 he went with the Kentucky & Tennessee Board of Fire Underwriters, and later became special agent Delaware & Reliance in Kentucky and Indiana. Then he was an independent adjuster in Louisville. In 1901 he was appointed special agent New York Underwriters for Kentucky. Following his retirement, he was one of several retiring field men for whom the Kentucky Fire Underwriters Association arranged a special testimonial banquet. He was a son of the late Col.

REJECTED RISKS

A general writing agent with a good life insurance business decided to conduct a campaign among his clients to take advantage of the changes in life insurance options. He went over his facts and lists and phoned several people, getting encouraging reactions. Finally he came to one who seemed like an exceptionally good prospect. The assured listened to his talk carefully, saying "yes" at the right times. At the conclusion, the client said "But my automobile insurance doesn't expire until March."

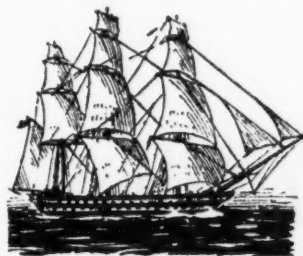
Commissioner Holmes of Montana sends out frequent warnings through the daily press on "Bargain" insurance. His latest is: "Unlicensed insurance and unlicensed securities are as dangerous as a rattlesnake. Investigate before you buy. It is one thing to pay \$3 for \$5,000 of insurance coverage and quite another thing to collect \$5,000 on a \$3 policy."

Phil J. Braun of Newell & Braun of Flint, Mich., has a great flair for things unusual and bizarre. His firm recently received the following letter in connection with a residence burglary loss:

"Enclosed is statement. Will you be kind enough to tell me who did this in your idea. I had last winter been home nights, and found tracks, also they tried to raise different windows while I was in the house. When police came we all thought they were window peepers. I wish to ward off all attempts again. Do they come again? I stayed alone every night. Surely some one sewed, or would they sell this stuff? What I want to know is it a needy family close by? Please tell me your experience."

John D. Young, long a special agent in southeastern territory for the Royal, who was given a gold watch by the Royal for canceling off all risks in Jacksonville, Fla., not long before the great fire in that city years ago. Mr. Young was a member of an old Virginia family, and father of J. C. Young, Virginia special agent Corroon & Reynolds group at Richmond. The late James M. Young, a brother, supervised Virginia for many years for the Georgia Home. John P. Young, Jr., another son, is with the loss department of the American of Newark. Hugh W. Young, a brother, is a retired adjuster of Louisville.

Junius M. Clark of Chicago, executive special agent, and Claude Beattie, Kentucky state agent, represented New York Underwriters at the funeral.



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1939

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The NATIONAL UNDERWRITER

January 5, 1939

CASUALTY AND SURETY SECTION

Page Fifteen

B. D. O. Setup Not Exactly Suited to Casualty Needs

Company Executives Strive to Devise Appropriate Competitive Assistance

NEW YORK—In the great majority of local agencies casualty as well as fire companies are represented with commissions upon the former type of risks generally averaging higher than those on fire.

Local agents representing both types of companies are disposed to criticize failure of casualty offices to afford aid in meeting non-stock competition as supplied by fire companies through the medium of the Business Development Office. The latter organization, formed several years ago under the joint auspices of a committee of company executives and of representatives of the National Association of Insurance Agents, has been active in suggesting methods for protecting lines already held by stock fire offices and in seeking to reclaim others lost to non-stock competitors.

Offers Practical Suggestions

In its campaign the staff of the B. D. O. spends a considerable part of its time conferring with agents and associations offering practical ideas and answering special problems. This help is thoroughly appreciated by agents generally and is responsible for their frequently advanced request that a similar service be furnished by the casualty companies. Outside competition for casualty business, local agents maintain, is just as keen as is that for fire coverages.

That casualty company executives have not yet been able to comply with the views of agents in this respect, does not indicate lack of sympathy, however, with the field force. Head office men desire to assist agents in every possible way as there is a mutuality of interest, companies cannot prosper unless local representatives manage to secure an average amount of business and of the requisite character. Executives through their committees in various associations have been and are giving very close study to the matter of non-stock competition, and are seeking suggestions from every possible source with a view to evolving a practical plan of effective co-operation. They point out however, that the problems affecting casualty underwriting are far more intricate than those pertaining to the fire field, and that a practical method in the latter, would be of little worth in the casualty field. Some progress has been achieved by casualty companies and confidence is voiced that eventually a smooth working general program will be evolved.

To handle the operations of a multiple

General Contractors' Liability for Acts of Sub-contractor

Attorney S. T. Mason of the law firm of Mason, Davidson & Mansfield of Detroit discusses for THE NATIONAL UNDERWRITER general contractors' liability for acts of a sub-contractor. He says:

"Agents are constantly inquiring whether a general contractor or a property owner is responsible for the negligence of a sub-contractor resulting in injuries to third persons. The question is a vital one because the most important duty of an agent is to properly advise his assured how far he should go in protecting himself against industrial hazards. It is unfortunate that the question cannot be answered simply, but there are so many factors that enter in that each case must necessarily depend upon its own particular facts. Therefore, it is only possible in a discussion of this kind to give general rules.

Statement of the Law

In "Thompson on Negligence," 2nd Edition, Section 621, the rule is stated as follows:

"It is a general rule that one who has contracted with a competent and fit person, exercising an independent employment, to do a piece of work not in itself unlawful, or of such a nature that it is likely to become a nuisance, or to subject third persons to unusual danger, according to the contractor's own methods, and without being subject to control except as to the results of his work, and subject to other qualifications hereafter stated,—will not be answerable for the wrongs of such contractor, his subcontractors, or his servants, committed in the prosecution of such work."

"This statement of the law is about as clear as it could be made, but it is so full of exceptions that it is even difficult to read. Broken down it is somewhat as follows:

"Every subcontractor is responsible for his own negligence. Nobody else can be held liable unless the work is (1) unlawful; (2) likely to become a nuisance;

line writing casualty company, service offices must be maintained at strategic centers, so the needs of local representatives and their clients may be taken care of promptly and intelligently.

However, not all divisions of casualty insurance yield a profit. As some lines are carried at a loss there can be no widespread campaigning for all forms of business, such as the fire companies solicit. Products liability, and general liability covers, to mention but two of the many forms of indemnity written by casualty offices, must be reviewed upon their individual merits. There can be no broad acceptance of risks upon a class basis.

Company officials, despite their desire to help agents in the production of business, appreciate the many angles to the problem and are proceeding cautiously to insure that when a plan is prepared, its application will not reveal weaknesses that may prove a boomerang for both agents and companies.

ance; (3) fraught with unusual danger; (4) subject to the control of someone higher up. These are, of course, exceptions to the general rule. Many instances of these exceptions may be found in the books.

"In the case of *Wight v. H. G. Christman*, 244 Mich. 280, the Christman Co. was principal contractor for erecting a building. A sub-contractor was employed to excavate for the foundation. Plaintiff's adjoining building was set on fire by sparks from the steam shovel. Christman Co. was liable. The court said:

What the Court Said

"Where one owes a duty to another he cannot acquit himself of liability by delegating performance of the duty to an independent contractor."

"In *Watkins v. Gabriel Steel Co.*, 260 Mich. 692, the Gabriel Steel Co. was the principal contractor and sublet the erection of joists to a sub-contractor. A joist was not properly fastened and a third party was injured. Gabriel Steel Co. was liable because the work to be done was, as the court said, 'inherently or intrinsically dangerous.'

"In the case of *Marchand v. Russell*, 258 Mich. 96, a radio salesman owned an automobile and travelled around from town to town selling radios on commission. He decided what towns to visit. He bore the expense of maintaining his car and used it also for pleasure. He was not required to have a car; he could have used a bus or train.

"While selling radios for the Detroit Electric Co. he had an accident and the court held that because there was testimony that he might occasionally be asked to make a special call on a dealer who was behind in his accounts the Detroit Electric Co. was exercising enough control to make it liable. The court said: 'Actual control need not be shown if right to control exists.' The rule is the same in all states, and cases from other states may be found cited in 39 C. J. Pages 1331 and 1332. A man who does not protect himself against such hazards is taking a long chance. He is speculating with his assets."

Estimate Returns to "Safe Drivers" at \$6,000,000

"Rewards" returned to assured under the automobile safe driver plan for the first year of its operation will be about \$6,000,000, the National Bureau of Casualty & Surety Underwriters estimates. The safe driver plan has been used in 35 states by bureau companies. The net earned premiums on safe driver policies for the first year will be about \$45,500,000, the bureau states.

The first policies were written in February, 1938.

International Claim Meeting

The annual meeting of the International Claim Association will be held at the Westchester Country Club, Rye, N. Y., Sept. 11-13. A. G. Fankhauser at the head office of the Continental Casualty in Chicago is president.

Federal Declaratory Judgment Act Uses Are Shown

Two Recent Cases Illustrate Several Points of New Legal Remedy

Two recent cases indicate the use to which insurance companies are putting the federal declaratory judgment act and illustrate several points of this new legal remedy.

In *Aetna Casualty vs. Yeatts*, originating in Virginia, the United States circuit court of appeals was faced with a request for an interlocutory injunction restraining Burton, a claimant, from prosecuting a suit in a state court against the company and Dr. Yeatts, the assured under a malpractice policy. The defense of the company was that Dr. Yeatts had performed an abortion upon Burton's daughter, who died, and that the malpractice liability policy did not cover damages resulting from a criminal act. The lower federal court took jurisdiction of the suit, but denied the temporary injunction and the insurance company appealed.

Accepts Federal Jurisdiction

In its opinion upholding the lower court, the circuit court of appeals analyzed several features of the declaratory judgment as a legal instrument for insurance companies. It held that, since the company, under the terms of the policy, had a potential liability of \$5,000 in this case, the amount involved was large enough to warrant federal jurisdiction. The question of diversity of citizenship was raised by Burton, alleging that while the insurance company was a Connecticut corporation and the individuals involved were Virginians, there was not true diversity of citizenship because the assured and the company should be on the same side. The circuit court of appeals, however, ruled that the company had raised a question of coverage and that this involved an interest hostile to both the assured and the claimant and hence they were properly named defendants. The court thus concluded that the matter was properly one for a declaratory judgment action. The company, it pointed out, must decide immediately whether it is obliged to defend the suit against the assured in the state court, which decision cannot await the determination of the suit.

An actual controversy over the contract between the company and the assured was involved, which was contemplated by the federal declaratory judgment act. Further, the court pointed out, if the assured had performed a criminal action, the company was under no obligation to defend him, and this question might not be completely decided in a civil suit by the claimant against the assured.

While thus holding that the question was a proper one for a declaratory judgment

ment petition, the circuit court of appeals upheld the lower court in refusing to grant an interlocutory injunction against prosecution of the suit in the state court. Stating that a federal court which has first acquired jurisdiction of a case may enjoin the party from proceeding in state courts, it maintained that in this case the suit in the state court had been started first, that different questions were involved and that the jurisdiction in the one case is not affected by the other. The fact that either defending the state court suit or declining to do so might be embarrassing to the company did not, in the opinion of the circuit court of appeals, furnish any ground for restraining the claimant from exercising his unquestionable right to bring suit for alleged damages. The circuit court of appeals consequently sent the case back to the district court for further proceedings in the petition for declaratory judgment.

Proper Information Required

In *Maryland Casualty vs. Havens* the United States district court for the middle district of Pennsylvania ruled on the question of what must be alleged in a petition by an insurance company for a declaratory judgment. Maryland Casualty had charged that a contractor's liability policy covering operations on a bridge was issued to Strayer on Jan. 1, 1933, and expired at 12:01 a. m., Jan. 1, 1934, that Havens was killed at 3 p. m. Jan. 1, 1934, by collapse of the bridge in question, that his widow obtained a judgment against Strayer in a state court on Dec. 3, 1936, and that Mrs. Havens was threatening to sue the insurance company for the amount of the judgment. Alleging that the policy had expired before Havens was killed, the company asked for a declaratory judgment that it was not liable.

Mrs. Havens apparently intended to claim in the threatened suit that there was an agreement between Maryland Casualty and Strayer automatically to renew the policy. In a technical attack upon the petition for declaratory judgment, her attorney charged that the petition did not show the authority under which Maryland Casualty did business in Pennsylvania, did not show this alleged agreement of automatic renewal, did not show any reason why the company did not have knowledge of this alleged agreement and did not show that Strayer was bankrupt at the time of the accident. The federal court turned down this technical attack, maintaining that the petition alleged sufficient facts to establish a case for a declaratory judgment and set the case for hearing, maintaining that the facts on which Mrs. Havens was relying to support her side should be set up affirmatively in an answer on the merits.

Argue Milwaukee Adjuster Case

MILWAUKEE.—After hearing arguments for several days on the petition of the Milwaukee Junior Bar Association for an injunction restraining Abraham Rice, an insurance adjuster, from alleged unauthorized practice of law, Circuit Judge Breidenbach has taken the case under advisement. Counsel for the bar group argued that in advising his insurance company clients on their liability in claims which he investigated, Rice is practicing law without a license. Counsel for Rice said such activities were no more illegal than those of printers who print legal forms. He charged the association "is trying to become monopolistic by controlling everything that has the slightest color of law."

Attorneys in the case pointed out a similar issue is now before the Missouri supreme court and suggested the local decision await that court's ruling. Judge Breidenbach indicated acquiescence.

Joseph Padway, general counsel for American Federation of Labor, appearing as a friend of the court, said the AFL seeks to prevent an injunction which could be interpreted as barring union business agents who are not lawyers from representing their membership before state and national labor boards, and state industrial commission.

Partner Gives Impressions of "E. J."

(CONTINUED FROM PAGE 5)

met Mr. Shuff, who was then starting his career as an agent of the Union Central Life. The two were close associates and Mr. Shuff interested himself in Mr. Wohlgenuth's enterprise. They helped one another in many ways. During Mr. Wohlgenuth's long illness Mr. Shuff wrote him a letter once a week.

Among those who came under the aegis of THE NATIONAL UNDERWRITER who came in contact with Mr. Wohlgenuth, and who later became prominent outside the organization are W. S. Crawford, insurance editor of the New York "Journal of Commerce," who was one of the earliest men on the staff; the late George H. Robinson, a local agent at Canton, O., who was employed as business getter by Mr. Wohlgenuth eventually becoming eastern manager of the "Insurance Field"; the late Chauncey S. S. Miller, who at his death was publicity and advertising manager of the North British & Mercantile; C. W. Van Beynum, advertising and publicity director of the Travelers; Frank W. Pennell, who recently retired as New York City general agent of the State Mutual Life; Charles F. Howell, editor "Weekly Underwriter"; R. C. Budlong, advertising department Globe Indemnity, and G. W. Wadsworth, publisher of the "American Insurance Digest." Mr. Wadsworth was employed as an office boy by Mr. Crawford at Cincinnati and largely developed under Mr. Wohlgenuth's tutelage.

Resided in Cincinnati Since '97

Mr. Wohlgenuth had been a resident in Cincinnati since February, 1897, when he founded a semi-monthly insurance paper called "Ohio Underwriter," devoting its service chiefly to Ohio and somewhat later to Michigan and West Virginia. Mr. Wohlgenuth prior to that had been located in Louisville where he was assistant editor of the "Insurance Herald," having gone there the latter part of 1895. The late Young E. Allison was editor of this publication and it was under his influence that Mr. Wohlgenuth got his most substantial and far reaching training as a trade publication publisher. Mr. Allison remained his inspiration, example and almost his idol during his entire life.

Mr. Allison was unusual in his mental traits and accomplishments. He was a gifted writer, a poet, musical composer and had far flung interests. He was a man of exceptionally high ideals so far as his business policy was concerned. Therefore, when Mr. Wohlgenuth came under the spell of this remarkable man he adopted his philosophy and standards to a large extent. Mr. Wohlgenuth in later years prepared treatises dealing with Mr. Allison and his activities.

Was Native of Detroit

Mr. Wohlgenuth was born in Detroit, Sept. 26, 1875, but grew up on a farm. When he was 15 his family moved back to Detroit. He got a job in the shop that printed the "Indicator," the insurance journal. Frank H. Leavenworth, the publisher, hired him away from the printers. The youthful journalist in time thought he saw an opportunity to improve the paper and secured permission to secure local news items. After a time he set up as an independent correspondent for insurance journals, such as the "Spectator," "Standard," "Rough Notes," "Insurance Herald," "Argus" and the Chicago "Inter-Ocean" daily insurance column, and he also brought out the Michigan Insurance Directory, one of the first in the country outside of New England. It proved successful and he branched out into Ohio. At Springfield he met the late George B. Carter, a representative of the old "Insurance Herald," of Louisville, who was compiling an Ohio directory for that paper. A "merger" was effected, Mr. Wohlgenuth joining the "Herald" but retaining his ownership of the Michigan directory,

which is now published by The National Underwriter Company.

At that time the west was full of fire insurance companies, especially Ohio. There were many insurance journals, but none in that state, and few of those in the field published much news or other matter of interest to readers or had much circulation. Mr. Wohlgenuth believed there was an opportunity for a journal that would attract readers by its service and advertisers by a substantial circulation, and saw that Ohio offered an excellent field on such a basis.

Funds Were Meager

When he arrived in Cincinnati to start his paper, his funds were meager but his publication was a success from the beginning as he concentrated his efforts on a comparatively small territory and soon had the backing of the insurance interests of that section. He opened an office, first in the St. Paul building, having desk room there, and later took an office at 415 Vine street, which was the old "Aetna Insurance Building." He would go "on the road" selling subscriptions and advertising and gathering news, mailing his "copy" to the printers. Then every two weeks he would run into Cincinnati and get out the paper. He would work until 10 o'clock at night or later and then go over to his post office box to see if the mail might not contain a subscription order with a \$2 bill for breakfast.

So successful was Mr. Wohlgenuth in his publishing venture that in 1899 he decided to change the "Ohio Underwriter" into a weekly publication and it became then the "Western Underwriter." He had purchased an insurance monthly publication at Chicago called "Black and White," which he merged with the "Western Underwriter." At the time that his paper was changed to a weekly publication basis he established the main editorial office in Chicago.

As time grew on and the old "Western Underwriter" opened offices in various cities throughout the country it took on a national scope and its name was changed to THE NATIONAL UNDERWRITER, issuing two papers each week, one devoted to fire and casualty insurance and the other to life insurance. In addition The National Underwriter Company, of which Mr. Wohlgenuth was president, started the "Casualty Insurer," the "Accident & Health Review," "Fire Protection," the "Insurance Exchange Magazine" and "Industrial Salesman," all monthly publications. The National Underwriter Company has its main office at 420 East Fourth street, Cincinnati. It also occupies an old residence in Arch street and part of another residence that it owns, next door to its head location on Fourth street. The National Underwriter Company is affiliated with the Rough Notes Company of Indianapolis, another extensive insurance publishing house, Mr. Wohlgenuth being president of that institution as well as The National Underwriter Company.

Instituted Many Services

Mr. Wohlgenuth instituted many different services in the way of state insurance directories, educational bulletins, books on insurance, insurance supplies, statistical and educational helps until the publishing concern became the largest of its kind in the country. In the Cincinnati office alone are 80 employees.

After he had put a solid foundation under the new paper, Mr. Wohlgenuth started the publication of "Midland" in 1907, a literary paper devoted to the middle west, to which many of the leading writers of that section contributed. Publication of "Midland" ended in 1908 when Mr. Wohlgenuth realized that the time was not ripe for a literary magazine of that kind.

Mr. Wohlgenuth became greatly interested in the insurance and cultural development of Cincinnati. He early recognized Stephen Collins Foster as a

great musical genius and devoted much time and research to a study of his life, particularly to the years which the young composer had spent in Cincinnati. Foster had come to Cincinnati at the age of 20 to work in his brother's office. Although Foster returned to Pittsburgh, his native city, in 1849, the three years spent in Cincinnati had made a deep and lasting impression. In 1928 Mr. Wohlgenuth read a paper, "Within Three Chords," before the Literary Club of Cincinnati which described the part Cincinnati had played in the life of the young composer. The paper was published in book form and it was an important factor in securing the city's belated recognition of a great composer whose genius first flowered within its borders. Mr. Wohlgenuth served as secretary of the Cincinnati Memorial Committee of Stephen Collins Foster.

Good Writer and Salesman

Mr. Wohlgenuth had a wide acquaintance among insurance people, he was regarded as a man of the highest probity, was resourceful in his business enterprises and possessed the uncommon gift of being a good writer and at the same time an excellent salesman. Many years ago he instituted a profit sharing plan in his publishing business. He had the ability to select excellent men and then he placed great responsibility on them. He did not try to dominate his organization. Because of his policy he was able to build a very strong institution in which a number of people are in charge of their departments, having developed under his tutelage.

In his early career it was necessary for him to go to work. He did not finish high school. When he had gotten his publishing business in good shape and it was flourishing he decided to go to college. That required great heroism and it was a rather daring venture. However, he spent three or four years at the University of Michigan and then spent a year on the Pacific Coast, with a term at Pomona College in California. He rounded out his college course and returned to business with a new and exalted vision.

In 1911 he married Miss Stella Goss, daughter of the late Charles Frederick Goss, who was then pastor of Avondale Presbyterian Church in Cincinnati and the author of several successful books. They have one daughter, Betty.

Had Multiplicity of Interests

Mr. Wohlgenuth read a great deal over a broad field and did not seem to miss any of the worth while books. He was unusually well informed on economic and political conditions, although devoting boundless time and energy to his business. He was active in civic and educational matters. In 1933 he ran on the city charter ticket for the board of education, but was not elected. He was for several years a member of the board of directors of the Alumni Association of the University of Michigan. He maintained a keen and active interest in the university's affairs. Mr. Wohlgenuth was a member of Phi Delta Theta fraternity. He was a member of the Queen City, University, Cincinnati Country, Literary, Commonwealth and Writing Clubs, the Cincinnati Chamber of Commerce and a director of the Southern Ohio Savings Bank & Trust Co. He was active in the Avondale Presbyterian Church and was a deacon for many years.

Mr. Wohlgenuth was intensely interested in people. He liked to read biographies. Nothing pleased him more than to see a young man develop successfully in business. He recognized the value of keeping young blood constantly flowing into his organization. He regarded loyalty as the first attribute among his business associates. When a person showed that he was capable and understood his work, Mr. Wohlgenuth believed in giving him free rein. He encouraged initiative and was greatly pleased when an idea was brought to him which showed sound thinking.

The Life Agency Cashiers Association of San Francisco held its annual Christmas party.

Hoodoo Day Drive to Be Held on Friday, Jan. 13

New records are expected to be established in the Hoodoo Day Drive on Friday, Jan. 13, sponsored by The Accident & Health Review, National Underwriter publication. Special emphasis is being placed on Hoodoo Day with the idea of starting the year with a large increase in accident and health sales. Companies are showing a keen interest in winning the original model of the black cat which is used in the sales literature distributed by The Accident & Health Review and which will be awarded to the company making the best combined records in the number of qualifiers for the Black Cat Club and the best percentages of increase. Many of the companies have devoted full pages in their house publications promoting the program and have sent out a number of bulletins urging their agents to participate.

Last May 442 agents qualified for the Black Cat Club by writing at least 13 accident applications on Hoodoo Day. It is expected that a new increase will be shown in this month's drive because most of the previous qualifiers will be out again to make a new record and those who have not qualified in the past will seek to win the honor for the first time.

Give Piepenbrink Control of Wisconsin Mutual

MADISON, WIS.—Approval of a reorganization plan for Wisconsin Mutual, the auto insurer, and authorization to Commissioner Mortensen to turn over the management to a group headed by E. A. Piepenbrink of Milwaukee have been issued by Circuit Judge Hoppmann. Wisconsin Mutual has been operated under a trusteeship by the department which took it over Nov. 19. The commissioner on Dec. 13 filed a petition asking authorization to make a contract for rehabilitation and the court's order now was an answer to that petition. Mr. Mortensen took a stand against assessment of policyholders "to cure the company's financial ailments."

The new group will inject \$15,000 into the company and post \$20,000 in securities which will remain in the possession of the commissioner until March 31, 1939. If he considers the company solvent at that time, the bonds will be returned. Should the company be insolvent at that time and the new group chooses not to turn them over to the company to further its interests, the group will be deprived of control.

In addition to Mr. Piepenbrink, a Milwaukee local agent and one time a manager of the former Wisconsin Mutual Liability, the new directors include: J. R. Vaughan and James T. Hally, Detroit; William Whalen and Carl A. Flom, Madison; George F. Haydon and Glen F. Daugherty, Milwaukee.

This group was selected in preference to another group which had submitted a similar plan and which was composed of former officers of the mutual, headed by Paul Weiss, president, and John Boesel, secretary. A third group was composed of K. E. Innes, company director who had been appointed rehabilitator in September, and a group of policyholders.

Mr. Haydon is manager of the Wisconsin Compensation Rating Bureau.

Safe Driver Reward Plan

The Aetna Casualty & Surety has announced to its agents something about the date of payments on the safe driver reward plan for automobile insurance. It expects to have payments in the hands of agents not later than 35 days after the expiration of the assured's policy. The rewards will be paid by company checks, drawn in favor of the assured and mailed to the agent. Each will be 15 percent of the combined liability and property damage premium.

Manion Loses Libel Action Against Hine's Rating

By denial on the part of the Illinois appellate court of petition for a rehearing, the opinion has become final in favor of Hine's Legal Directory, Cuneo Press, and Edward E. Collins, manager of Hine's insurance counsel, in a libel action brought by Claim Adjusters Association of Chicago, and J. J. Manion, manager of Insurance Claim "Who's Who."

Manion claimed that he was damaged by the publication of a pamphlet entitled "The Lawyer's Confidential Guide." This was a list of law lists together with their ratings. According to Manion, this pamphlet stated: "New policy of arbitrarily rating attorneys as to ability, character and trial efficiency in insurance defense matters, and publishing such ratings without the consent of listees has caused such conflicting reports to reach us that we are unable to assign a suitable rating."

The appellate court stated: "Our conclusion is that by no stretch of the imagination can it be said that the document, standing alone, contains any words which can be said to be libelous per se. There is no charge in the complaint that defendants were under any obligation to give plaintiffs a rating, nor that defendants, in declining to give plaintiffs a rating, were induced to do so by malice. Therefore, we are of the opinion that the court was correct in striking the complaint."

Harry Lees is Advanced

Harry Lees has been appointed assistant manager of the New York office of the United States Fidelity & Guaranty. He went with the company in 1934 as superintendent of the automobile department, having been formerly assistant manager of the automobile department of the National Bureau of Casualty & Surety Underwriters. In 1936 he was made superintendent of the New York City casualty department of the U. S. F. & G., being put in charge of all casualty underwriting. He is a graduate of Alfred College and Columbia Law School.

Employers Liability Changes

Willard Benson retired as superintendent of the payroll audit division of the Employers Liability and its two affiliated companies, after 20 years' connection. He is succeeded by L. A. Davison, formerly assistant of the department. R. A. Smith becomes Mr. Davison's assistant, and J. H. Kelly has been named chief auditor of the New England pay toll audit department.

Big Bond Is Executed

Performance bond covering construction of the Westlake housing project by the Youngstown (Ohio) Builders Syndicate for the Youngstown metropolitan housing authority has been completed through the office of L. Calvin Jones & Co., general agent Maryland Casualty. Co-sureties are United States Fidelity & Guaranty, Standard Accident, Fidelity & Deposit, New Amsterdam Casualty and National Surety. Contract price was \$2,286,347.

To Open Exposition Branch

SAN FRANCISCO—The Fireman's Fund Indemnity Feb. 1 will open a branch on Treasure Island—scene of the Golden Gate International Exposition—to service the exposition company. The Fireman's Fund carries all miscellaneous casualty lines for the exposition. The branch will give 24-hour service and will be staffed with auditors, adjusters, inspectors and necessary clerical help. In addition, the company covers many individual exhibitors and concessionaires.

Awards Certificates to 25 Agents

American Surety awarded 25-year service certificates to 53 of its agents.

First Insurance Man to Head N. Y. Board of Trade



W. E. McKELL

W. E. McKell, president of New York Casualty and vice-president of American Surety, was elected president of the New York Board of Trade. He is credited with being the first insurance man ever to hold this position.

Mr. McKell is a native of Utah. He was graduated from the University of Utah in 1909, and in the same year entered the employ of American Surety. He became manager of the Salt Lake City branch in 1912. During 1925 he was speaker of the Utah House. He is a past representative of the State president of the Insurance Society of New York.

Restaurant Operator Held Liable for Drinking Water

That a restaurant owner or hotel man is liable for injuries resulting from serving drinking water unfit for human consumption to a guest was the recent decision of the Ohio supreme court in the case of Yochem vs. Gloria, Inc. This reversed a decision of the court of common pleas which was also upheld by the court of appeals of Franklin county, O.

It had been charged by the plaintiff that the defendant had violated the pure food and drug laws of Ohio by improperly handling sewage on the premises of the restaurant so as to cause it to reach the source of supply from which water was given to customers for drinking purposes.

The defendant's plea that water was merely a gratuity and therefore not connected with the sale of the meal was not upheld by the supreme court. The court ruled that in this part of the world it has long been a definitely established custom for restaurants and hotels to supply their customers with water for drinking purposes with each meal and it is just as much a part thereof as salt, butter and similar articles for which no specific charge is made.

Hamilton, Kramer & Wiles, Columbus attorneys who represented the plaintiff, say that this is supposed to be the only case of its kind in the United States or Canada.

James Gibbs to Prison

NEW YORK—Convicted of taking funds of the Excess, of which he was formerly president, James Gibbs has been sentenced to 2½ to five-years in Sing Sing prison.

Texas Approves Plan

The Texas insurance department has approved the retrospective rating plan for workmen's compensation insurance in that state as of Jan. 1.

Pennsylvania Indemnity Drops Participating Plan

Pennsylvania Indemnity of Philadelphia, a stock company writing participating policies, has discontinued the refund feature. This took effect Dec. 1 and applies to all new business and renewals. The company will return a dividend on policies written in 1938 prior to Dec. 1. The Pennsylvania Indemnity writes automobile insurance at 20 percent off manual but on all other lines annual rates will be used. The Pennsylvania Indemnity also has discontinued its salaried salesmen and will operate only through local agents. As was announced recently T. B. Donaldson, former insurance commissioner of Pennsylvania, is now its executive vice-president.

Smith Resident Secretary

Vance C. Smith, manager of the Dominion department of the Lumbermens Mutual Casualty with headquarters at Toronto, was made resident secretary.

New Filling Station Form

KANSAS CITY.—A good volume already is being written by Western Casualty & Surety on a filling station policy it recently introduced. The policy offers \$100 messenger robbery, \$100 interior robbery, \$100 safe burglary, \$200 open stock burglary, \$200 damage by burglars. Cost ranges from \$30 to \$45 in territories A, B, and C. The policy offers, optionally, coverage for bodily injury and property damage while driving customers' cars; damage to property of others \$1,000; collision to customers' cars, \$1,000 with \$50 deductible, burglary of money in home, \$100, and kidnapping, \$100. Rates for coverages under both sections range from \$45 to \$60.

The policy isn't being written in metropolitan districts or on all night and super stations, but in smaller cities and rural areas.

May Distribute Assets Soon

DETROIT—Early distribution of assets of Central West Casualty is anticipated by Commissioner Gauss. Sale recently to D. F. Broderick for \$440,000 provided the defunct carrier from whose sound assets the Great Lakes was formed with its largest liquid asset. Kentucky, which has been holding a large deposit of Central West, will release this sum now that speedy liquidation is made possible, Mr. Gauss believes. He would fix no date as to when dividend might be expected, but distribution may be made in a week to 10 days.

Iowa Farmers Want Own Insurer

DES MOINES.—At the annual meeting of the Iowa Farm Bureau Federation, Jan. 18-20, consideration will be given to terminating the arrangement whereunder the federation operates an agency for State Farm Mutual Automobile of Bloomington, Ill. For several years some of the leaders in the Iowa Federation have advocated setting up an insurance company as a subsidiary of the federation and there is a good deal of sentiment in favor of accomplishing that purpose at this time.

Slate Townsend for Post

DETROIT—J. C. Townsend, treasurer Michigan Insurance Agency is to be the next director of the state unemployment compensation commission, it appears, Gov. Fitzgerald having recommended Townsend for the appointment.

Ask 4% Georgia Rate Cut

The Georgia Industrial Board announces it will recommend to the commissioner that an average reduction in rates in the amount of not less than 4 percent be granted. This will more than wipe out the 2.9 percent rate increase granted for 1937 due to increased benefits.

Harry Naylor of Insurance firm of Naylor-Lyle Insurance Co., Brownsville, Tenn., has been appointed district agent for the State Farm Mutual, which he has formerly served as local agent.

ACCIDENT AND HEALTH

Report on Federal Life Examination

Total assets of Federal Life of Chicago as of Dec. 31, 1937, were \$15,681,344, capital \$375,000 and net surplus \$366,823, according to a report of an examination conducted by Illinois, Oklahoma, Missouri and Iowa.

Federal Life issues a multiple line of policies in both its life and accident departments. In connection with its newspaper accident policies it carries a London Lloyds catastrophe policy, \$1,000,000 excess of \$50,000 in any one accident.

It is interesting to note that Federal Life carries a \$100,000 policy on the life of President Isaac Miller Hamilton, which has a cash value of \$39,385. This is an endowment at age 85 contract. Mr. Hamilton announced that he will retire during 1939 as president and will be succeeded by L. D. Cavanaugh, now vice-president. There is a 10-year term contract of \$40,000 on the life of Mr. Cavanaugh.

The net reserve on life and annuity contracts was \$11,618,010. In the acci-

dent and health department the losses and claims outstanding were \$1,125,077.

The examiners state that a representative number of paid accident and health claim files were reviewed in an effort to determine the manner of treatment extended to policyholders in the adjustment and settlement of claims and it is apparent that prompt consideration and payment is made upon all claims of established liability. The substantial volume of non-can business in force and the many technical interpretations placed by the management on the contractual provisions and coverages of the policies have resulted in a sizable number of controversies between the company and claimant. Many of the claims, according to the report, have developed into litigation and it is problematical whether the results experienced justify the company's expense involved.

The premium reserve amounted to \$513,733. The additional non-can A. & H. reserve amounts to \$385,254. There is a fund of \$50,000 which is a general contingency reserve for the A. & H. department.

In the accident and health department, the premiums earned during 1937

were \$1,608,656, claims incurred \$932,392 (58 percent), expenses \$676,264, leaving a balance of \$83,400. Of the premiums, \$1,014,958 came from newspaper business, \$165,231 commercial, \$142,674 non-can, \$66,930 automobile, \$124,543 industrial, \$40,104 instalment and \$46,229 reinsurance assumed. On the reinsurance business the losses were \$54,576. The reinsurance assumed comprised practically all non-can business. The report declares that the premium income on both the regular and reinsured business in the non-can department is showing progressive decreases as compared to the increased volume of losses incurred thereon. The loss ratio for 1937, including non-can was 57.96. Excluding non-can it was 50.

During the past five years, the examiners declare, Federal Life has experienced decreases in volume of insurance written in both the life and accident departments and corresponding reductions of business in force. However, the loss and expense ratios have been favorable and this condition together with improved interest and investment earnings has permitted a substantial adjustment of investment values without a reduction of unassigned or surplus funds. Surplus to policyholders as of Dec. 31, 1937, totals \$741,823 and in addition investments and special reserves in the sum of \$270,563 have been provided for general contingencies.

In the life department as of Dec. 31, 1937, premium income was \$2,097,638, total income \$3,040,616; payments to policyholders \$1,332,613, total disbursements \$2,361,371; new business written \$6,849,275, insurance in force \$79,054,204. Mortality ratio, 63.

Meet to Consider Threat of Social Insurance

SAN FRANCISCO.—Greatly concerned over threat of a strongly supported state social insurance bill, accident and health underwriters of several companies writing hospitalization and allied lines met here to consider the problem. Milton Monasch, northern California manager Associated Indemnity health insurance department, presided and outlined the situation. He told of trends in other states, the proposal under consideration in New York, and how a well organized force is ready to fight for passage of the measure through the legislature.

Mr. Monasch indicated that if such a bill passed both houses he was confident Governor Olson—whose announced program includes considerable social legislation—may be expected to sign it.

Special Displays at Chicago

At the sales congress sponsored by the Chicago Accident & Health Association on Jan. 24 in connection with the mid-year meeting of the National Accident & Health Association in Chicago, special booths will be arranged around the ballroom of the La Salle Hotel in which the meeting will be held. Various companies will display their sales material. Several intermissions will be held during the program so those in attendance will have time to inspect the booths.

The sales congress committee will hold a special luncheon meeting Jan. 6 at the Great Northern Hotel.

Sends Hospitalization Data

O. B. Hunt, Pennsylvania commissioner, chairman hospitalization committee of the National Association of Insurance Commissioners following a hearing at the mid-year meeting at Des Moines has furnished copies of the Pennsylvania act along with a summary of studies of this question made by his department to the members of the committee.

Hospital Granted Writ

A temporary restraining order was granted A. J. Moore, operator of Samaritan Hospital, Oklahoma City, to prevent Commissioner Reed from interfering with preparation and sale of hospi-

talization contracts. The contract in question was recently classed as an insurance contract in an opinion by the attorney-general which under present statute provision would place its issuance under supervision of the insurance commissioner. Hearing will be this week before Judge Frank Douglass of Oklahoma district court.

Approve Dallas Medical Plan

DALLAS—A tentative plan to provide medical insurance to families with incomes of \$1,800 a year or less at a maximum fee of \$3 monthly has been approved by Dallas county Medical Society. The proposed plan carries a deductible clause, providing that the first two office calls, or first home visit must be paid for by the insured patient at prevailing rates. The deductions are not to apply in hospital cases and in emergencies.

Discuss Rehabilitation Work

BOSTON—The Boston Life & Accident Claim Association at its December meeting heard H. A. Dallas, supervisor rehabilitation division Massachusetts department of education, describe work of his organization in handling victims of industrial accidents. Dr. A. S. Rose will speak on the mental aspect of rehabilitation at the January meeting.

Hoefflin Speaks in Seattle

SEATTLE, WASH.—Members of the Accident & Health Managers' Club of Seattle heard Walter R. Hoefflin, supervisor of agencies of Pacific Mutual Life, talk on "Income Must Go On."

Reinsures All A. & H. Line

All the accident and health business of the Sunset Mutual Life has been reinsured by the Southwestern Life, both of Los Angeles.

Portfolio on Hospitalization

The General American Life is issuing to agents a new portfolio on selling and administering policies covering group hospitalization with surgical benefits.

Dismiss Revocation Proceedings

ATLANTA—By mutual consent, proceedings before the Georgia insurance commission and Fulton superior court, involving D. R. Cobb, Atlanta agent, and the United Hospital Service Association, were dismissed. Cobb had been cited to show cause why his license should not be revoked because of alleged misleading statements about the hospital association. He obtained a temporary injunction and attacked constitutionality of the 1937 act permitting formation of non-profit hospital associations.

Mount Diablo Mutual Life of San Francisco has appointed Samuel Lewis as agency director. He was formerly a writer on insurance topics for Hearst newspapers and during the past five years has acted as a consultant. Mount Diablo has moved to the Phelan building, San Francisco.

Agents Wanted BEAUTY SHOP LIABILITY INSURANCE

Policies written by Responsible American Company in business over 26 years.

LOW COST • REGULAR COMMISSIONS

C. T. KIPLINGER, General Agent
175 W. Jackson Blvd., Chicago, Ill.

WANTED

Automobile Casualty Underwriter with 10 years experience. Prefer man with college education. Home office experience, knowledge of reading procedures and experienced analysis work. Chicago home office position in well organized company. State full qualifications, salary desired and personal history.
ADDRESS J-35, NATIONAL UNDERWRITER

After the New Year —WHAT?

We'll tell you. Christmas business, as you know, was good. But there will be sufficient carry-over merchandise to warrant the usual January mark-down sales.

Sales mean crowds. Crowds mean hazards. And hazards too often result in financial losses for merchants who are not protected by adequate liability insurance.

The time is at hand to protect the Holiday profits of storekeeping clients. Liability policies which expired with the old year are now up for renewal. This is an opportunity all O. C. representatives have to start off the New Year right. . . . Why? We'll tell you that, too. Because the coverage is broad: the rates are reasonable; the commission interesting.

Agents in unassigned territories will inquire, to their advantage, about the merits of the Ohio Casualty lines. Full details are yours, on request.

**THE OHIO CASUALTY
INSURANCE CO.**
HOME OFFICE HAMILTON, OHIO

"No Business Direct"

Like most large American businesses, National Surety Corporation is a *stock* company. Like most American businesses, too, we have distributed our product—Fidelity Bonds, Surety Bonds, Burglary and Forgery Insurance, through middlemen (agents or brokers).

We know that the agent or broker is the vital spark of insurance protection. He is the hallmark of efficient insurance. The American Agency System of which he is a part is in turn a part of the American Business System.

Because we believe so thoroughly in the services of an expert middleman, who is the agent, broker or producer, we refuse to accept business direct because it is not in the interests of the company, or the assured to do so.

Thus we can be sure that you as a purchaser can receive complete coverage at minimum cost. You can be sure that we as a company are doing our part to support the American Business System under which you live and earn. The American Business System of service and profit has created a standard of living which is the envy of the world.

We cooperate with you to maintain and increase that standard.


PRESIDENT

NATIONAL SURETY CORPORATION



ACCIDENT COVERAGE FOR PEOPLE PAST SIXTY

Don't pass up this business!

Accidents are a constant threat to older people who have lost the firm step of youth. Yet, at this age when they need it most, protection against accidents is hardest to obtain.

Many agents and brokers, unable to secure coverage of this type through ordinary sources, have added materially to their

premium incomes by writing the Over Age Accident Contract available through this organization.

Underwritten by prominent underwriters, it covers death, dismemberment and weekly indemnity or death separately. Full details will be sent on request.

R. N. CRAWFORD & CO., Inc.

Insurance Exchange, Chicago Telephone Wabash 2637

Headquarters for "OUT-OF-THE-ORDINARY" Contracts

Dependable Insurance Service

plus

Aggressive Selling Assistance

A multiple-line stock casualty company which offers financial strength—prompt claim service—up-to-the-minute sales and advertising aids—standard policies. It will pay you to investigate The Buckeye Union, an aggressive company for aggressive agents. Writing Automobile, Plate Glass, Burglary and Public Liability.

The
Buckeye Union
Casualty Co.
HOME OFFICE
Columbus, Ohio

A Stock
Company

Territory in
Ohio and
Indiana

CHANGES IN CASUALTY FIELD

New Cleveland Manager of American States

C. E. Smith, new Cleveland manager for American States, has been in the insurance business for 10 years. After spending seven years as cas-



C. E. SMITH

ualty field man for the Travelers in the Detroit branch, he spent a year in the same capacity at the Rochester, N. Y., branch of the Travelers. In May, 1937, he resigned to enter the local agency business in Detroit, and then joined American States towards the close of 1938.

Quigg Chicago Surety Head of Massachusetts Bonding

Arthur Quigg this week joined Massachusetts Bonding in its Chicago office as superintendent of the bond department. For the past 18 months Mr. Quigg has been in the Chicago office of Standard Accident as associate surety manager. He is a seasoned man in his specialty and has developed an extensive acquaintanceship during the time that he has been in Chicago. He was connected with Hartford Accident about 13 years in the bonding division, 11 years in the home office and two years in the Philadelphia office. He went with Hartford Accident as superintendent of the bond department in Syracuse, remaining there for three months before being transferred to Chicago. He attended Syracuse University.

Number of Field Changes By Fidelity & Deposit

BALTIMORE.—The Fidelity & Deposit and its affiliate, American Bonding, have made a number of field changes. William Kroll, assistant manager New Orleans branch, is transferred to the Washington branch as assistant manager. G. B. Hebb, who has been connected with the Boston branch for more than 13 years, recently in charge of the judicial and public official division, becomes assistant manager there.

F. J. Quinn, special agent Boston branch territory, who recently completed the postgraduate course in the home office training school becomes special agent in Cincinnati branch territory.

W. A. Hein, assistant manager Cin-

cinnati branch, is transferred to the Syracuse branch as successor to the late L. R. Macdonald, assistant manager.

Arthur G. Fox to Omaha

Arthur G. Fox, who has been in training in the National Surety at the home office and latterly doing special agency work at Buffalo, for a year, has been transferred to Omaha, associated with Manager Fred Liles, as special agent. He is a son of Gordon H. Fox of Marsh & McLennan, Chicago.

Oefftering Joins Walters & Co.

M. V. Oefftering, formerly connected with the Hartford Accident in Chicago, has taken up his new work as compensation and liability underwriter for E. H. Walters & Co. in that city. He started with the Aetna Casualty in 1929 and passed through several desks, becoming underwriter. In February, 1937, he left that company to join the Hartford Accident as assistant to William Grinton, superintendent of the compensation and liability department.

Gwinn & Co. Named

Homer Gwinn & Co. of Chicago has been appointed general agent by the Car & General for Cook county and surrounding territory for all lines. This agency is just winding up its fifth year. The partners are Homer Gwinn and H. C. Lawin.

C. H. Jackson with Royal Indemnity

Charles H. Jackson has joined Royal Indemnity and Eagle Indemnity as special agent in Chicago and Cook County. His last connection was with Fireman's Fund Indemnity in the Cook county field about two years. Prior to that he was with Travelers in Chicago for 10 years after graduating from the Travelers school.

PERSONALS

L. P. Kristeller of Newark, who is chairman of the insurance section of the American Bar Association, is making a change in his law firm. Heretofore it has been Newman, Kristeller & Zucker. It is now Kristeller & Zucker and the firm will move to 744 Broad street. Mr. Kristeller will be in Chicago the week of Jan. 8 for meetings of the American Bar Association committees, and will address a meeting of the Casualty Adjusters Association of Chicago, Jan. 11.

L. V. Grady was given a farewell quail dinner by 20 department heads in the Chicago office of Home, prior to his departure for the New York head office of Home Indemnity, where he is now assistant secretary. Mr. Grady has been the Chicago manager of Home Indemnity. The quails had been shot by Mr. Grady on a hunting trip. The dinner was presided over by E. R. Hurd, general manager in Chicago.

The Provident Life & Accident held its annual Christmas party for the home staff and the Chattanooga agencies. Robert J. Maclellan, president, delivered a welcome address. J. W. Rader was master of ceremonies introducing skits and a Prof. Quiz program.

Marshall A. Goodmandson, agency supervisor Provident Life & Accident, Chattanooga, was married to Miss Mary Lou Kirk during the holidays.

A. & H. UNDERWRITER WANTED

Leading Accident and Health Company desires home office underwriter fully familiar Commercial and Monthly Payment Accident and Health lines. Reply in confidence, giving qualifications, experience, age and references.

ADDRESS J-32, NATIONAL UNDERWRITER, INSURANCE EXCHANGE, CHICAGO, ILL.

NEWS OF CASUALTY COMPANIES

Nelson Now Head of Hawkeye Casualty

DES MOINES—A. R. Nelson was elected president Hawkeye Casualty, succeeding Nick Hampe. Herbert Stanley becomes vice-president, George Olmsted vice-president, and Karl Crittenden, secretary-treasurer. Max Putnam, Allen Whitfield and J. K. Miller, Jr., were named directors.

Mr. Nelson has been with the company since organization in 1923 and formerly was vice-president and treasurer. Mr. Stanley joined in 1925 and recently has been assistant secretary. Mr. Olmsted is president Travelers Mutual Casualty, Des Moines, and Mr. Crittenden treasurer of that company.

The interests of H. F. Storjohann, former secretary, and the late Mr. Mishler were purchased by a group of Des Moines insurance men whose names were not disclosed. It was assumed these included some of the new directors and officers.

The Hawkeye is one of the oldest stock casualty company's in Iowa, capitalized at \$200,000, and operates in Iowa, Minnesota, Nebraska and Illinois. It has more than 400 agents.

Faneuil Hall Mutual Is Being Fashioned in Boston

BOSTON.—Faneuil Hall Mutual Liability has filed an application for a license to write compulsory auto liability, general casualty lines, and accident and health.

Those behind the company are said to have the good wishes of the new political regime in the state. The promoters believe that a certain amount of compulsory automobile insurance can be handled without the disastrous effects of many previous attempts. Froggatt & Co. will set up the company and make monthly audits. The recommendations of Commissioner Harrington will be observed, and the guaranty fund, legally fixed at \$25,000, will be quadrupled, a spokesman states.

The officials and incorporators are: President, Amos M. McLean, Boston lawyer, specializing in insurance law; vice-president, James Dempsey, former secretary of Sinclair Weeks, former mayor of Newton and chairman of the finance committee of the state Republican committee; secretary, William Carroll Hill, Boston insurance journalist;

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ADDRESS J-31, NATIONAL UNDERWRITER

LIABILITY AND COMPENSATION UNDERWRITER WANTED—Middlewest headquarters of prominent casualty company has opening for trained liability underwriter. All inquiries will be held strictly confidential.

ADDRESS J-33, NATIONAL UNDERWRITER

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A leading accident and health company wants special agent for producing business with established agents, appointing new agencies and intensively developing assigned territory. Reply in confidence, giving qualifications, experience, age and references.

ADDRESS J-29, NATIONAL UNDERWRITER

treasurer, George M. Hutting, broker; real estate and advertising and formerly in the office of the secretary of state; directors, Tycho M. Petersen, general agent in Springfield and state representative; Harold L. Niles, member of Niles, Inc., an insurance agency, and Boston investment man; Jack I. Drew, attorney and insurance agent and broker, and Fred Y. Marshall, insurance broker, with Bernard M. Keniston and Kenneth O. Atchinson, managers of a leading Boston automobile agency, as additional incorporators.

Appoint Temporary Receiver for Two Boston Mutuels

BOSTON.—Supreme Court Justice Donahue has appointed temporary receivers for Broad Street Mutual Casualty and Canton Mutual Liability. These are two of the numerous companies that were organized specifically to write insurance under the compulsory automobile liability statute in Massachusetts. Whereas most companies tread gingerly in the Massachusetts auto liability field these specialty concerns by the dozen have stepped out

boldly, taken all comers, piled up deficits in a few months and then faded out. For those few months or so, however, a pretty fair living has been provided for those operating most enterprises of this type. Hearings are to be held Friday of this week on permanent injunctions for Broad Street Mutual and Canton Mutual. J. T. Noonan is temporary receiver for Broad Street and L. R. Chamberlin for Canton.

The commissioner has suspended the broker's license held by William J. Howard, president of Broad Street, and the license of the Hub agency, which was general agent for Broad Street.

The department's report showed Canton Mutual had \$801,463 in earned premiums in 1937 on which it incurred losses of \$795,120.93 and expenses of \$333,003.77. The loss for the year was \$335,137.96.

The report on Broad Street, as of Sept. 30, showed assets \$693,137.25, of which \$352,949 were premiums in course of collection. The net deficit was \$480,033.

The commissioner announced that Beacon Insurance Agency, which was exclusive agency for Canton Mutual, was found to have been insolvent on Dec. 31, 1937, by the examination conducted Sept. 30, 1938. The deficit was \$36,370.

Manual Mizel, treasurer of Beacon Agency, is the accountant that has su-

pervision over the records of both the agency and the insurance company, and is compensated by each for services rendered, the report states. Evelyn Entis, clerk of the agency, is an employee of Canton Mutual, and Paul Mannos, assistant treasurer of the agency, is connected with Canton.

Under an arrangement with the casualty companies in the Massachusetts Automobile Rating & Inspection Bureau the 40,000 to 50,000 risks formerly insured in Broad Street and Canton will be taken over by the bureau companies under allotment, without payment of commissions to agents or brokers. Only the compulsory coverage is offered and the car owners must pay the full annual premium in cash in advance. No financing will be accepted.

The end of the year found the bureau and local company offices crowded with uninsured and special police officers were required to keep the crowds in line.

A legislative investigation of the affairs of Broad Street and Canton Mutual has been asked by Representative Woelkel of Methuen.

Atlas Mutual Is Formed

The Atlas Mutual Casualty organized in Cincinnati to write automobile, has elected Leon Friedlander, president; O. W. Schreiber, vice-president and

THREE SHEETS IN THE WIND

The sail of a ship is fastened at one of the bottom corners by a rope called a "tack"; the other corner is left more or less free as the rope called a "sheet" is disposed: if quite free, the sheet is said to be "in the wind", and the sail flaps and flutters without restraint. If all the three sails were so loosened, the ship would "Reel and stagger like a drunken man."

—Dictionary of Phrase and Fable, Brewer.

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treasurer, and Louis Armstrong, secretary. Trustees are A. W. Tischler, C. C. Beals, L. F. Hellebusch, W. J. Dehne and H. R. Dittus. The Atlas Insurance Agency, Cincinnati, was incorporated to finance the mutual and carry on a general insurance business. Incorporators are A. W. Tischler, W. J. Dehner and Mary L. Timmerman. Capital is given as \$2,000.

Provident L. & A. Retires Preferred

All preferred stock has been retired by the Provident Life & Accident. The outstanding preferred has been converted into common stock in order to simplify the capitalization structure. All the company's stock is in the hands of executives and employees of the company.

The **Employers Mutual Liability** of Wisconsin has been admitted to Virginia. John R. Chappell, Richmond, is agent.

F. T. Wood, chairman of the Fifth Avenue Coach Company of New York, has been elected a director of New York Casualty.

The **Shawnee Mutual** of Lima, O., has been licensed in Ohio with John McGuire of Lima as agent, and the **Citizen Casualty** of New York, with J. H. Mahon of Columbus as agent.

COMPENSATION

California Silicosis Hazard Reported Minor Factor

Silicosis, which in 1934 and 1935 caused considerable concern among compensation carriers largely because of an unexpected avalanche of claims agitated by certain attorneys, has ceased to be a problem any more in California, according to the industrial accident commission. A report points to the period when silicosis claims were received in large numbers—as many as 50 in a month. The peak now is three.

The commission reports 25 original applications filed in 1938 up to December 1. The commission states most of the silicosis claims that eventually were established to be genuine cases involved men who had had much exposure outside California where working conditions were much more conducive to silicosis than the general average in California before modern methods now used prevailed. For 15 years it has been general practice in the Mother Lode area to use wet liner drills for all purposes, including stoping, and to have forced ventilation and to see that men were not put in the mines until a sufficient time had elapsed after blasting operations to permit exhausting most of the objectionable silica laden air. In addition to this it is now common practice to wet down muck piles before any work is done.

These modern safety measures in mining operation have so materially reduced silicosis hazard that it is of minor significance, the commission notes, with the exception that in some mines in the desert and southern California where there is not an abundance of water, and in some mines when the heat precludes use of wet drilling, there is still room for improvement.

It is expected within a short time the few remaining surcharges on compensation rates in some industrial classifications will be eliminated.

Issue Over Transcript Demand

LINCOLN, NEB.—Five Omaha attorneys representing insurance interests intervened in a case pending in supreme court, Hansen vs. Paxton & Vreiling Iron Works, in which the trial judge at Omaha ruled the district court is without jurisdiction to hear appeals from state compensation court unless a transcript of pleadings, orders and judgment of the court is filed. This is radical departure from established practice. Attorneys say if it is sustained a number of pending appeals by insurance companies automatically will be

dismissed. The question never has been passed on by the supreme court.

Watch California Legislation

To prepare for, to watch and to study workmen's compensation insurance legislation, the California chamber of commerce is reviving its special committee to participate in any proposals that may be presented to the legislature which convened Jan. 2. In 1937 the committee was instrumental in bringing about the defeat of a number of inimical measures.

The radical labor element is expected to push a series of bills designed to liberalize the present law.

Approves High-Low Waiver Plan

Commissioner Rouillard of New Hampshire has approved the National Council's form of endorsement and rates for waiver of retrospective compensation premium in excess of standard premium. He will not permit the use of any other form.

SURETY

Opinion Divided on Action of Nebraska Agents

LINCOLN, NEB. — Opinion is divided among surety men over a resolution adopted at the recent convention of the Nebraska Association of Insurance Agents in Fremont declaring that in future commission earned in writing the two year bond of \$1,000,000 for the state treasurer be paid into the association treasury. Those who criticize the resolution say the association is without title to the commission, has no power of enforcement of its decree, and as it does not have 100 percent membership of qualified agents its use of the money would not be for the benefit of all.

On the other side it is argued that this disposition of the money would take the underwriting assignment out of politics, make impossible situations like that of four years ago, when the governor was moved to start his state monopoly bonding law crusade, and that when the \$3,000 is divided every two years no agent gets so much out of it as to make the prize worth all the fighting necessary to win a part.

Seek Repeal of Bond Law

MILWAUKEE.—Repeal of the section of the state tavern keepers' responsibility law which requires tavern keepers to post \$1,000 surety bonds will be sought in the coming legislature. Under the law the entire \$1,000 is supposed to be forfeited automatically, but last May the supreme court nullified efforts of the state to collect more than \$1,000,000 in bonds from tavern keepers convicted of law violations, holding this is an indemnity bond required for license, and need not be forfeited on conviction for an offense. A bill introduced in the 1937 session to give judges discretion in forfeiting the bonds was vetoed by Gov. La Follette.

Myrl Swanson, former assistant cashier of the Fidelity State bank of Aurora, Neb., has been named bond clerk under the newly-elected state treasurer, T. W. Bass. He replaced Edward Westering, in charge for six years.

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Transportation is Subject for True-False Quiz

A true or false transportation insurance quiz is featured in the educational analysis series of Royal-Liverpool. As will be observed, more space than necessary was given to the answers of the test questions. This was done so that those interested might avail themselves of the opportunity to review the subject.

1. Transportation insurance is a type of inland marine coverage intended primarily to insure a shipper's goods or merchandise while in transit by railroad, railroad express, public truckmen, coastwise steamers and other methods of shipment named in the policy.

The statement is true. Although there is little uniformity in the practices which obtain among underwriters and although no standard form of policy is used by companies generally, the term "transportation insurance" is usually understood to mean "transit" or "transportation" policies issued to merchants, manufacturers or other shippers covering their merchandise while in due course of transit by the carriers named in the policy. ("Transportation insurance" is generally understood not to include policies issued to truckmen who haul goods of others, a different form of coverage known as a "motor truckmen's" policy being used in such cases.)

Securing Reimbursement

2. A merchant who ships only by the most reputable and financially strong carriers does not need transportation insurance because if a loss occurs, he can always secure reimbursement from the carrier.

The statement is false. When a carrier accepts goods for transportation, it issues what is known as a bill of lading. Under the terms of the vast majority of bills of lading in use today (including specifically those used by railroads, by public truckmen operating under the jurisdiction of the Interstate Commerce Commission and by the Railway Express Agency) the carrier is not liable for loss or damage caused by an "Act of God."

The term "Act of God" has been held by the courts to mean "Any irresistible disaster, the result of natural causes, such as earthquakes, violent storms, lightning and unprecedented floods; such a disaster arising from such causes, and which could not have been reasonably guarded against or resisted."

It would be difficult to imagine any set of circumstances more clearly indicating a need for insurance protection than that of the shipper whose merchandise is exposed at his own risk to "irresistible disaster—such as earthquake, violent storms, lightning and unprecedented floods." This is particularly true when it is realized that such "irresistible disasters" usually cause the heaviest monetary loss.

Save on Shipping Costs?

3. By securing a transportation policy a merchant, manufacturer or other shipper is often able to effect a substantial saving in shipping costs.

The statement is true. In addition to exempting themselves from liability for "Act of God" losses, many carriers, by issuing what are known as "released" bills of lading restrict their liability to a certain dollar amount for loss or damage to property in their custody. To assume liability for the full value of the shipment, such carriers make an additional charge. Therefore, by insuring all his shipments under a transportation policy the shipper is free to accept such "released" bills of lading or receipts and effect a saving because the rates charged for transportation insurance are rarely as high as those charged by such carriers for assuming full liability.

As an illustration, the Railway Express Agency under its "uniform express receipt" limits its liability to "\$50, in case of loss, or 50 cents per pound, actual weight, for any shipment in excess of 100 pounds, unless a greater value is declared and charges for such greater value paid. The express company charge is 10 cents for each \$100 of value, or fraction thereof, in excess of the limits stated in its Uniform Receipt. Since the rate charged for a transportation policy covering express shipments is rarely as high as that charged by the express company (10 cents), a shipper can effect a saving by securing a transportation policy and accepting the "released" receipt from the carrier.

Railroads issue "released" bills of lading on certain specific commodities such as raw silk, rugs, household furniture, etc. Motor truckmen issue various types of bills of lading depending on whether they are under the jurisdiction of the Interstate Commerce Commission,

whether they are contract or private carriers, etc. The details as to the type of bill of lading secured from carriers by a specific shipper may be determined and analyzed when a transportation policy is under negotiation.

Whether a shipment is made under a "released" or a "non-released" bill of lading, the carrier is not liable for "Act of God" losses.

4. Depending upon the circumstances of the specific risk, the coverage granted under a transportation policy may be limited to named perils (such as fire, lightning, cyclone, flood, etc.), or the policy may be issued to cover "all risks." The policy may also be drawn to cover either incoming or outgoing shipments or both.

The statement is true. The transportation policy is very flexible in all its conditions and, subject to the underwriting requirements of the company, may be restricted or extended so that it will exactly fit the insured's individual needs.

Standard Rates Charged?

5. The rates charged for transportation insurance are standard and are not promulgated by the company's underwriters upon receipt of a completed application or the equivalent thereof.

The statement is false. In general, there is no uniformity in the insurance needs or wishes of various shippers; moreover there are widely varying conditions with respect to type of commodity shipped, packing, carriers used, previous loss experience, etc. The underwriter, therefore, promulgates a "merit" or "judgment" rate for each risk, taking into account all conditions bearing upon the matter as they apply to that specific, individual shipper.

Premium Determination

6. The premium for a transportation policy is determined by multiplying the policy amount by the rate.

The statement is false. Rates for transportation policies are expressed as "(rate) cents per \$100 of shipments." For example, a policy may be issued for a \$10,000 amount (the amount being the company's limit of liability in any one casualty or disaster) at a rate of 10 cents. If the insured had \$75,000 in shipments during the term of the policy, the premium would be \$75 (\$75,000 shipments x 10 cents per \$100 of shipments). If the shipments amounted to \$150,000, the premium would be \$150. (\$150,000 shipments x 10 cents per \$100 of shipments).

In the foregoing examples, note that the total shipments were spread over the entire policy year. This "spread" is

Advertises First Safe Driver Reward Check

Maxie D. Pepperman, enterprising agent of Montgomery, Ala., ran a three column newspaper advertisement announcing "The first check in the auto safe driver reward plan has arrived." He said he planned to advertise this safe drivers reward plan put in effect a year ago by casualty companies in every way possible, personally delivering the checks with reward chevrons to his customers. The check constitutes a 15 percent return of premium to policyholders as a reward for safe driving.

"We expect that distribution of these checks almost daily throughout the coming year will be a constant reminder to automobile drivers to qualify for this substantial recognition of the part they played in reducing automobile accidents," said Mr. Pepperman.

common to most shippers, and it is, therefore, the practice of underwriters to place a limit of liability (\$10,000 in the foregoing illustration) representing the maximum amount the insured expects to have exposed to loss at any one time during the year. Although the limit of liability may be a factor to the underwriter in naming the rate, the rate is applied to the amount of shipments.

Basis of Writing Policies

7. Transportation policies may be written either on a reporting basis or for a flat annual premium not subject to reports.

The statement is true. The three methods most commonly used are:

(a) Monthly Reporting: The policy is issued for a deposit (provisional) premium, the insured submitting monthly reports of the total actual shipments made during each month. The monthly earned premiums are applied against the deposit premium until it is exhausted, after which time the earned premium is paid monthly.

(b) Annual adjustment: The policy is issued for a deposit (provisional) premium based on the estimated shipments for the next year. At the end of the policy term the insured reports the total actual shipments made during the previous year. The premium is then adjusted, the company returning any unearned portion of the deposit premium or the insured paying the amount by which the actual earned premium exceeds the deposit.

(CONTINUED ON LAST PAGE)

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Badger Federation Names New Officers

MILWAUKEE.—L. C. Hilgemann, of Leedom, O'Connor & Noyes Co., agency, has been elected president In-



L. C. HILGEMANN

surance Federation of Wisconsin, succeeding A. L. Wortmann, Milwaukee branch manager Aetna Casualty. Mrs. Myrtle B. West, Oshkosh agent, was reelected secretary. W. W. Belson, Milwaukee, is executive secretary.

Vice presidents elected representing various branches are: Otto Gaedke, Gaedke-Miller Agency, Milwaukee, general; Gustave Guenther, Hoppe Insurance Agency, Sheboygan, fire; Paul E. Rudd, Milwaukee, state agent Aetna Fire, field men; S. A. Oscar, National Mutual Benefit, Madison, fraternal life; Sidney Herzberg, Milwaukee, manager Prudential ordinary department, life, and William Tucker, W. J. Tucker Agency, Beloit, casualty.

Executive Committeemen

Named on the executive committee were W. M. Wolff, Milwaukee, resident vice-president Fidelity & Deposit; J. A. Keelan, secretary Time; G. A. Jacobs, Janesville, president Citizens Mutual Fire; W. B. Calhoun, Milwaukee, Cal-

houn agency; Norman Clark, Travelers; Mr. Wortmann and Mr. Herzberg.

A legislative program in cooperation with other insurance organizations was outlined. The new federation president is widely known in insurance, having been in the business about 25 years with company and field experience previous to entering the local agency field. He was for three terms president Milwaukee Board and for ten years has been legislative chairman of the local board and Wisconsin Association of Insurance Agents. In the National Association of Insurance Agents he has been chairman workmen's compensation and casualty committees. He was active in the campaign of Governor-elect J. P. Heil.

Agents of Three Illinois Companies to Convene

PEORIA, ILL.—Some 500 agents of the three insurance companies in the Illinois Agricultural Association will hold annual sessions here Jan. 12-13. L. R. Welk, insurance director Peoria County Farm Bureau, is general chairman. The companies are: Country Life, Illinois Agricultural Mutual and Farmers' Mutual Reinsurance. Dave Micher, Chicago, general sales manager for the companies, is cooperating with Mr. Welk in making arrangements.

Paul Speicher, Research & Review, Indianapolis, who will talk on 'Purposes and Uses of Life Insurance,' will be a principal speaker. E. C. Smith, I. A. A. president, and Donald Kirkpatrick, I. A. A. legal counsel, both of Chicago, will speak. A banquet, with Mr. Smith as toastmaster, will be held the first night. Hotel Pere Marquette is headquarters.

Illinois Agents to Hold Educational Gathering

The Region Six Institute of the Illinois Association of Insurance Agents will hold an educational conference in the Broadview hotel, East St. Louis, Feb. 15. This will be open to southern Illinois agents, those not members of the association being urged to attend.

The registration starts at 8:30 a. m., with first session at 10 a. m. The mayor will extend welcome, with response by W. H. Jennings, Jr., Rockford, president Illinois association. W. H. Stewart, Chicago, past president and board chairman will report on activities.

Four outstanding speakers will pre-

sent a symposium on "Survey Selling." Six luncheon conferences will be held on: rural farm agents problems, personal property floater, collections and premium financing, business development, workmen's compensation, occupational disease and long haul trucking, and recent important trends in fire, casualty and surety underwriting.

In the afternoon there will be four talks by prominent men on adjuster's hints to agents, non-ownership liability, inland marine and financial responsibility and driver's license law.

A banquet will be held, with an address by Dr. P. L. Thompson, president Kalamazoo, Mich., on "The Need of Higher Ethics in Our Business." It is planned to adjourn about 8:45 p. m.

Cleveland Groups to Meet

CLEVELAND.—The next regular monthly meeting of the Cleveland Board will be held Jan. 11. Proposed amendments to the by-laws will be considered.

M. B. Ettenheim in Bankruptcy

Milton B. Ettenheim of Sol H. Ettenheim & Sons, Milwaukee, has filed a voluntary petition in bankruptcy in federal court listing liabilities of \$408,203 and assets of \$13,982, of which he claims exempt \$5,675, mostly insurance. Recently his brother, Julius M. Ettenheim filed a voluntary petition, listing liabilities of \$374,794 with assets of \$10,687 and exemptions of \$4,771 claimed.

Thompson with Bridston

J. B. Bridston, who has been operating a general and local agency in Grand Forks, N. D. for the past four years, has taken Loyde C. Thompson into partnership. The firm will continue to operate as J. B. Bridston Company.

Mr. Thompson was formerly assistant secretary of the Implement Dealers Mutual Fire, having been connected with that company for 13 years as district manager in southeastern North Dakota, and manager of the underwriting department.

Farewell Dinner for Weaver

FOND DU LAC, WIS.—F. Max Weaver, resident adjuster Western Adjustment who is being transferred to Green Bay as manager, was honored at a farewell dinner party given by members of the Fond du Lac Board. W. J. Ryan, president, presided, introducing O. C. Heiam, Milwaukee manager, and Clarence Hedlund, who comes from Eau Claire to succeed Mr. Weaver. Gifts were presented Mr. Weaver. At Green

Minnesota Association to Hold Mid-Year March 7-8



HARRY A. LEVANT

MINNEAPOLIS — The Minnesota Association of Insurance Agents has invited members of the Wisconsin association to its mid-year meeting which will be held March 7-8 at the Curtis hotel here. W. B. Calhoun, Milwaukee, former National president, will attend and speak.

The program includes two breakfast meetings, one on local board problems and the other for rural agents. P. H. Ware, Minneapolis, will be in charge of the first and Francis McGovern, Rochester, of the other. H. A. Levant, Eveleth, is general chairman.

Bay he succeeds E. T. Donahue, manager for ten years, who is being advanced to general adjuster for Wisconsin at Milwaukee. Mr. Hedlund is succeeded at Eau Claire by P. L. Johnson of Quincy, Ill.

Expect State Fund Bills

When the Indiana legislature convenes Jan. 5, an array of proposed insurance legislation is expected to be introduced, including bill for a state compensation fund, state insurance of public property, very likely a measure for compulsory automobile liability and the usual mill run of other bills that produce

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jitters for insurance men. At the convention of the Indiana Farm Bureau, a resolution was adopted, opposing the setting-up of state insurance funds. "We believe," the memorial states, "that the creation of such state funds or the state of Indiana becoming an insurer not only will impose an unfair burden on the tax paying public of which the farmer and farmer interest are a major part, but, also, may lead to a political organization controlled by the party in power."

Baldwin Reports Big Year

The H. C. Baldwin Agency of Indianapolis reports a half million dollar volume in 1938. It now has 250 agents throughout the state.

McGregor Buys Out Taylor

DES MOINES, IA.—Don McGregor, president of McGregor-Taylor Company, has purchased the interest held by P. E. Taylor, vice-president and secretary. The agency will continue under the same name temporarily.

Mr. McGregor entered the insurance business in Des Moines during 1929. Two years ago after the death of G. A. Holland, he purchased the controlling interest in the G. A. Holland & Co.

Mr. Taylor will become associated with the Merle O. Milligan Company, a real estate firm, in the insurance department.

St. Louis Salvage Corps Curtails

ST. LOUIS—In the interest of economy the Salvage Corps stations at 2310 Sidney street and 3321 Locust street have been closed and the corps has stopped making runs to minor fires in residential sections. Activities have been concentrated at the one remaining station at 1211 Pine street. When economic conditions permit the Locust street station may be reopened, according to R. W. Smith, president Underwriters' Salvage Corps. Corps personnel was reduced from 25 to 20 men. Fire losses in 1938 were about \$330,000 below the previous year, another factor in the decision.

Mayor Leach Exonerated

MINNEAPOLIS — Mayor G. E. Leach was exonerated from blame by the county attorney's office in connection with sale of insurance by the Leach-Lindvall agency to the state armory commission, of which Leach was a member. The attorney's opinion stated the law prohibited commission members from being personally interested in contracts, but he said there was no penalty for infraction of the law. Then, too, there is doubt a member of the commission is a public officer within scope of general statutes. The Leach-Lindvall agency collected \$1,151 premiums on armory insurance while Leach was a member. He has retired from the agency.

Self-Insurance Example in Kansas

The main highway shops of the Kansas state highway department's fifth division, a mile west of Hutchinson, burned with \$50,000 loss, following a boiler explosion. Department records, trucks and equipment were a total loss, all without insurance, being state property, which is not insured in Kansas. W. S. Thompson, Hutchinson, is chairman state insurance committee Kansas Association of Insurance Agents, which hopes to secure an appropriation from the coming session of the Kansas legislature for insurance coverage. Governor Huxman, whose home is in Hutchinson, is reported to favor such a move.

Plan to Sue in Nebraska

LINCOLN, NEB.—The insurance department having declined on ethical grounds to proceed in the matter, the district court has empowered the Continental National Bank, which holds funds belonging to the defunct Lincoln Hail, as a creditor and on behalf of other

creditors to institute suit against the Great American Indemnity bonding company for Lee Herdman, former commissioner. In litigation over use of loss funds by the receivers, a judgment for \$5,000 was rendered against Herdman because he authorized use of that amount of loss fund to the liquidators. The law was held to prohibit such use. Mr. Herdman died several years ago, and his estate never has been probated.

Sue to Recover Missouri Fees

JEFFERSON CITY, MO.—Attorney-General McKittrick filed three suits in Cole county circuit court to recover \$147,187 in fees allowed by the court to custodians of fire premiums impounded under its orders.

The amounts sought and defendants are: \$59,500, H. P. Lauf, \$59,500, Lewis Hord Cook, and \$28,187, Circuit Clerk G. M. Sone. The court is asked to direct the defendants to return the fees to the insurance department for immediate distribution to policyholders.

The supreme court has held in a series of decisions that policyholders are entitled to all the impounded premiums and that Cole county circuit court lacked jurisdiction, hence could not legally allow the fees to custodians, commissioners and their attorneys.

SOUTH

Tennessee Agents in Expansion Move

NASHVILLE.—With local associations functioning here and in Chattanooga, Knoxville and ten other smaller cities, the Tennessee Association of Insurance Agents plans immediate expansion to complete organization of the state. W. B. Pettigrew, Knoxville, president, will spend the week Jan. 9-14 organizing local exchanges in towns around Knoxville. H. A. Bransford, president Union City Insurance Exchange, Union City, and junior director of grand division "W" of the state association, will spend the week Jan. 16-21 organizing an exchange in Paris and other towns of that area.

Following a similar plan, representatives of the state association organized six cities in May, 1938. These, with their presidents, are: Johnson City, W. M. Harris; Dyersburg, W. H. Fumbanks; Morristown, Mrs. R. H. Bible; Lebanon (Wilson County Insurance Exchange), Alexander Anderson; Jackson, A. V. Patton. Franklin was organized in October with H. G. Channell as president, and Union City Insurance Exchange in November, W. A. Bransford being president. Elizabethton was next in line, J. B. Miles, president; Springfield Insurance Exchange in December, H. D. Moore, president.

Plans for a general conference of fire and casualty agents and company men, at a date and place to be selected later, were made at a meeting in the office of W. S. Keese, Jr., Chattanooga, chairman casualty conference committee Tennessee association. H. H. Corson, secretary casualty conference committee, and J. D. Saint, association manager, both of Nashville, attended.

Oklahoma Bar Association Has Insurance Session

OKLAHOMA CITY.—Logan Stephenson of Tulsa, Okla., attorney Atlas Life, was elected president Oklahoma State Bar association at the annual convention here. In the insurance section Phil Landa, Tulsa, gave a comprehensive analysis of the unauthorized practice of law, especially in the matter of adjusting insurance losses, contending it was for the courts to decide. Changes in contracts for fire insurance were submitted for consideration by H. G. McKeever, Enid. An important possible

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Perhaps the most marvelous tale of dog intelligence concerns Rolf, an Airedale belonging to Mrs. Moekel of Manheim, Germany, in 1913. Through the sign language of tapping with his paw he communicated with humans. He could add, spell, and do problems in arithmetic.

It all began when he sat one day with his mistress who was teaching her daughter at home. Frau Moekel said to her little girl, "Come, now, any child knows what two plus two is," and she noticed that Rolf was looking on with large imploring eyes. "I bet even Rolf knows. How much is two plus two Rolf?" Much to her surprise, Rolf patted out four taps on her arm. It was not an accident. From then on his education was rapid and his ability was investigated and verified by leading contemporary psychologists.

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change stressed was provision by which the insuring company would be made responsible only for cost value of property destroyed at the time of the fire and for the amount necessary to replace the property with like material.

Royce Savage, chairman, reported for the committee on recodification of Oklahoma insurance laws, saying it was probable the committee would recommend abolishing the state insurance board and placing all insurance matters under jurisdiction of the commissioner. The committee also plans to raise requirements for companies applying for license without working hardships on companies operating in Oklahoma.

Secretary Lyon Resigns

NASHVILLE, TENN.—W. W. Lyon, president William Winter Lyon & Co., after 17 years' service has resigned as secretary of the Nashville Insurance Exchange, effective Jan. 18. Re-elected in September, 1938, he accepted reluctantly, because of ill-health, and only because of his desire to be of utmost service. A. G. Bennett, of Bennett & Corley, president, and J. D. Saint, manager Tennessee Association of Insurance Agents, commented on Mr. Lyon's loyalty and efficiency. The exchange has not acted to appoint a successor.

Exchange Plans Amendments

NASHVILLE, TENN.—Approved on first reading at a recent meeting, a new constitution and by-laws for the Nashville Insurance Exchange is expected to be formally adopted Jan. 18. In order that the members may familiarize themselves with the proposal, a special meeting will be held Jan. 6.

Texas Agents to Meet

D. A. Clark, Sweetwater, Texas, president Texas Association of Insurance Agents, called a joint meeting of the directors and legislative committee for Jan. 8 in Dallas. This meeting is the day prior to the annual meeting of the Texas casualty and surety agents. The 1939 convention city will be selected and the legislative program formed.

Demands Residence Rate Cut

A substantial reduction in residential fire and burglary and accident rates in Atlanta is being urged by Mayor Hartsfield. He contends experience has improved in the last several years. Per capita fire loss for 1938 was approximately \$1.03, with a six-year per capita of 87 cents. Seventeen years ago the average per capita was \$4. Atlanta's 1938 fire loss was \$310,000, including the \$90,000 Terminal Hotel tragedy. Burglary and accident losses also have been decreased.

R. L. Brown, for years associated with J. F. Wakefield and J. C. Mayes in the insurance firm of Wakefield Realty & Insurance Co., Lewisburg, Tenn., retired from the firm and was succeeded by Henry Wakefield.

PACIFIC COAST AND MOUNTAIN

Brokers Group Elects Battles Chairman

SAN FRANCISCO—The Surplus Line Association of California elected officers at a meeting of southern Cali-



EUGENE BATTLES

fornia members in Los Angeles following a meeting of northern California members here. New officers are: chairman, Eugene Battles, Rowan & Co., Los Angeles; secretary-treasurer, H. J. Toso, Newhouse & Sayre, San Francisco; executive committee, W. B. Brandt, Brandt & Co.; W. B. Swett, Swett & Crawford; Charles Sealey, Seeley & Co.; M. Thompson, Thompson & Co., and J. B. F. Holtius, all of this city, and I. O. Levy, Behrendt-Levy Co., Gordon Campbell and Ray Rosendahl, all of Los Angeles.

Goodcell's Appointment Confirmed by Senate

SAN FRANCISCO—One of the first acts of the California Senate Monday was to confirm appointment of Rex B. Goodcell, insurance commissioner named last July by retiring Governor Merriam to succeed S. L. Carpenter. Mr. Goodcell's appointment for four year term was subject to this confirmation and effort was made to upset confirmation Tuesday by leaders in the new administration. If this stands the Democratic administration will be foiled as to getting a new commissioner.

Montana Committee Heads

New committees have been appointed for the Montana State Association of Insurance Agents. The regional vice-pres-

idents are Mulford Crutchfield, Missoula; Otto M. Christinson, Glasgow; and J. R. Rankin, Hardin.

Chairman of the casualty contact committee is Irvine Bennett, Missoula; Life Underwriters' committee, Charles Lowery, Great Falls; safety committee, T. B. Miller, Jr., Helena; fire contact committee, E. L. Heidel, Bozeman; business development, S. M. West, Billings; rural agents K. W. Haviland, Deer Lodge; and fire prevention committee, P. J. McGreevey, Anaconda.

Eugene Battles Is Chairman

Eugene Battles, of R. A. Rowan & Co., was elected chairman of the general insurance committee of the Los Angeles chamber of commerce, and also becomes a director. There are now five insurance men on the board, three general insurance and two life men.

New Brokerage Firm Established

A new brokerage firm, Nathan & Russell, has been established as of Jan. 1, with offices at 155 Montgomery Street,

San Francisco. The firm are members of the Society of Insurance Brokers. Melville C. Nathan was formerly with the firm of Roberts, Rosenshine & Nathan. Royce Russell was formerly an independent broker. The new firm will write all lines of insurance and specialize in survey work. Mr. Russell is also an agent for the Equitable Life of Iowa.

Big Hotel Loss Is \$282,178

Seventeen fire companies share a total fire loss payment of \$282,178 on the Arrowhead Springs Hotel risk, destroyed in the Thanksgiving holiday forest fires that swept southern California. The final adjustments have been made and proofs of loss transmitted. The total loss, including appraisal, finally was fixed at \$310,414. The U. & O. loss adjustment still remains to be closed.

Seawell President Proteom

SAN FRANCISCO—J. L. Seawell, prominent local agent of Roseville, Cal., and president Limited Mutual Compensation Insurance Co. of San Francisco, was elected president proteom of California state senate at the organization session Monday. Mr. Seawell, a veteran of the legislature and frequently chairman of insurance committee, was a candidate

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for lieutenant governor on Republican ticket, being defeated by a narrow margin. His election is considered a signal victory for the conservative element in the legislature.

Hollister Now a Partner

PORTLAND, ORE.—Jewett, Barton Leavy & Kern has made Harry Hollister a partner. He joined the firm in 1936 as manager of the fire insurance department. He was formerly associated with the Oregon insurance rating bureau as an examiner. In 1932 he joined the Fidelity & Guaranty Fire as special agent. Mr. Hollister is a member of the executive committee of the Oregon State Agents' Association.

Names Sunset Underwriters

SEATTLE—Sunset Underwriters Insurance Company has been appointed Washington general agent of Union Assurance.

Insurance, Credit Men Meet

SEATTLE—A joint dinner meeting of the King County Insurance Association and Seattle Association of Credit Men will be held Jan. 23rd at which insurance and its relation to credit will be discussed.

Spokane Association Gathering

SPOKANE—New officers of the Spokane Insurance Association will be elected at the annual meeting Jan. 9. B. M. Hay is nominating chairman. E. J. Lehan, Spokane attorney, will discuss the proposed financial responsibility law.

Montana Ruling Distasteful

The Montana State Association of Insurance Agents is expressing indignation because of a decision of the attorney-general under the Montana anti-discrimination law. In that opinion the attorney-general ruled that building and loan associations are not permitted to stipulate with the mortgagor that the property must be insured through a particular insurance agent although the association may require that the property to the extent of the association's insurable interests be insured in a particular insurance company.

Arnold Huppert of Livingston, editor of "Tags" the bulletin of the Montana

local agents' association, asserts that such an opinion, although authoritative, is inconsistent. Mr. Huppert said that he had examined letters that were written to a building and loan association with headquarters in Butte by agents of that city and of Bozeman and Miles City. All of these letters seem to indicate that policies of renewal were enclosed with these communications and that renewals were always written at the borrower's request. The building and loan returned these policies stating that the building and loan had completed arrangements with a certain insurance company to write fire insurance on properties secured on loans. It requested the borrower to remit the premium direct to the building and loan association.

The matter was called to the attention of the insurance department which ruled that if it could be proved that the building and loan received any portion of the commission then it could do something about it. Otherwise it was powerless to offer any remedy.

Pearson State Treasurer

PORTLAND, ORE.—Walter E. Pearson of Bates, Livesly & Pearson, has been named state treasurer to succeed Rufus Holman, who becomes U. S. senator. Mr. Pearson, born at Richmond, Va., in 1874, and graduated University of Virginia, came to Portland in 1906. A son W. J. is in the insurance business at Seattle, and another son D. W. is traveling agent for a Kansas City underwriting agency. Mr. Pearson became associated with Bates, Livesly & Pearson in 1910, and a member in 1924.

Balance Situation Better

DENVER—Balances for 1938 show an improvement between 15 percent and 20 percent over 1937, it is estimated. While there are scattered bad spots on the balance map for the territory, the situation throughout the three states generally is considered much improved.

Pacific Coast Notes

Phillip A. Hunt, 53, Portland, Ore., local agent, died.

U. S. Rohrer, former Hastings, Neb., local agent, died recently in California.

C. M. Keck, veteran local agent at Glenwood Springs, Colo., died suddenly.

George C. Eller, 50, associated with the J. S. Mooney Company, Wenatchee, Wash., died.

EASTERN STATES ACTIVITIES

Slate Robert A. Sullivan For President of Boston Board

BOSTON — Robert A. Sullivan, Hinkley & Wood, has been nominated for president of the Boston Board. The election takes place Jan. 10. Arthur J. Anderson, O'Brien & Russell, is slated for vice-president, and James Davis, secretary. For executive committee the slate is Herbert A. Kneeland, C. L. Powers, F. J. Connors, R. A. Benting and A. S. Nelson. John H. Eddy and J. H. Carney are named for advisory committee to serve concurrently with the rates, rules and appeals committee of the board of governors of the New England Fire Insurance Rating Association for the Boston division. The committee on brokers and appeals will consist of G. W. Roaf, F. A. Bailey and F. A. DeWick.

New Jersey Agents Plan Midyear, County Meetings

NEWARK, N. J.—The midyear meeting of the New Jersey Association of Underwriters, will be held in the Hotel Hildebrecht, Trenton, N. J., March 9-10. The Mercer County association will hold its March meeting in conjunction with the state association and will take an active part in the proceedings. It is expected that the midyear meeting will be one of the largest from an attendance point of view due to the fact that many interesting topics will be discussed.

The Bergen County Association of Insurance Agents will hold an open meeting Jan. 12 at Teaneck. A committee composed of H. P. Murphy, A. H. Miller, A. V. Livingston, is in charge.

Elaborate preparations are being made by the Passaic county association for its annual North Jersey Night, which will be held Feb. 16 in Passaic. The members of the Bergen county, Hudson county and Essex county associations have been invited to attend. It is expected that the members of the Insurance Women of New Jersey will also be in attendance.

The January meeting of the Hudson county association will be held Jan. 17 at Bayonne. Irving Johnson of Bayonne, will be in charge of the program.

A class of 15 members has been organized for the insurance course in the Atlantic City territory, as part of the educational program of the New Jersey Association of Underwriters.

W. Va. Newspapers Revive Fire Company Rate Attack

The several West Virginia newspapers that periodically have printed "policy" stories about the profits made by fire insurers, citing the unusual loss ratios of the past few years, have revived the crusade. Robert L. Plummer is the author of the latest articles. He allows that it is necessary "to unhorse the fire insurance rate makers who have been riding rough shod over the property owners of West Virginia." He quotes Commissioner Sims as stating the department is unable to confound the arguments and statistics presented in behalf of the companies because there

is no provision for the creation of a statistical division in the department. Plummer presents a table showing net fire premiums in the state in 1937, \$5,464,462, losses \$1,728,144, loss ratio 31.47; total premiums \$8,640,166, losses \$3,360,917, loss ratio 40.22.

For 1933-1937 inclusive fire premiums are given as \$26,143,948, losses \$9,815,179, loss ratio 35.13; total premiums \$35,603,857; losses \$13,919,534, loss ratio 37.81.

One of the papers printing the matter is the "West Virginian" of Fairmont.

Greene to Head Hampshire Mutual

Karl E. Greene has been elected president of Hampshire Mutual Fire of Pittsfield, Mass., succeeding Robert A. Barbour who died recently. Mr. Greene has been a vice-president of Hampshire Mutual.

Mr. Greene was elected vice-president of Berkshire Mutual and Hampshire Mutual in 1936. Previously since 1911 he had been with Glen Cove Mutual, serving as assistant secretary, secretary, treasurer and finally vice-president. For a short time he was vice-president and underwriting manager of Federal Mutual Fire of Boston, as well as Glen Cove Mutual.

Fete Carney's 75th Year

James H. Carney, senior member of the Boston general agency of Kaler, Carney, Liffier & Co., is being tendered a testimonial dinner Thursday night in recognition of his 75th birthday. The committee in charge includes H. G. Fairfield and F. J. Murphy for casualty general agents and underwriters; R. A. Sullivan for the Boston Board, J. W. Downs for the Insurance Federation, A. D. Cronin and Fred Devereux for the Insurance Society of Massachusetts, and Merrill Ramsey for the Bay State Club.

Palmer on Pittsburgh Program

PITTSBURGH.—Ernest Palmer, Illinois insurance director, will be toastmaster of the dinner program of the Insurance Day observance sponsored by the Insurance Club of Pittsburgh in the William Penn Hotel Feb. 13. C. H. Bokman, New Amsterdam Casualty, is general chairman. Commissioner L. H. Pink of New York is expected to attend.

William A. Whitney, 84, who conducted an insurance agency in Lawrence, Mass., for more than 30 years, died.

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Administrators Making New Law

Declaring that administrative bodies are providing the new law of the country consisting of a series of rules and orders, Roy L. Davis, assistant director of the Illinois insurance department, addressed the Insurance Club of Chicago at its regular monthly meeting this week. The subject of Mr. Davis' talk was "Let's Look at the Record," which was devoted chiefly to a review of the work of the state department since Director Palmer assumed charge six years ago.

One of the biggest contributions in recent years, Mr. Davis said, was the passage of the Illinois insurance code. However, he emphasized that no act, order or rule of the Illinois departments is final. They are all subject to review by the courts.

The Insurance Club will select its 1939 officers at the February meeting of the organization. A nominating committee composed of Gerard Urbanus, Hanover Fire, chairman; William Gillespie, Mutual Trust Life; R. L. Baehr, Jr., Springfield F. & M.; George Bailie, Moore, Case, Lyman & Hubbard, and Francis Sepp, H. Dalmir & Co., will present two slates of candidates to be considered by the membership.

R. E. Baker, Hartford Accident, first vice-president of the club, presided in the absence of Wilton F. Kuffel, Phoenix of Hartford, who is president of the group.

Sam B. McAllister Is New Head of Mountain Club

DENVER—Sam B. McAllister of the Daly General Agency was elected president of the Mountain Field Club at the annual meeting. He succeeds Howard Reynolds of the Home. Charles Fletcher, Hartford Fire, is vice-president and H. B. Maltby, Westchester, secretary. The new governing committee consists of P. E. Heath, National Fire; G. V. Firestone, New Hampshire Fire, and R. H. Stebbins, Cobb & Stebbins.

The club voted to continue on an even larger scale the work of the agency advisory committee, (the business development committee). Plans were also made to expand the work of the fire prevention committee. Due to the time required for "agency advisory" work in the past year only one inspection was held but a number are planned for 1939.

Following adjournment of the afternoon session of the Field Club, this body joined with the Colorado Blue Goose for a joint dinner meeting given in honor of Chester Long, who is leaving Glens Falls to become special agent for the Southwestern Fire in Phoenix. He was presented with a wristwatch. The turnout was the largest in years, more than 90 being present.

New Auto Forms in Texas

AUSTIN, TEX.—The Texas board of insurance commissioners has published a new combined standard automobile policy, with comprehensive coverage as an optional feature. Previously the comprehensive contract could be written only by endorsement to the standard fire and theft policy.

The comprehensive endorsement has also been amended to include the special condition providing that breakage of glass and damage caused directly by windstorm, hail, falling aircraft, theft, earthquake, explosion, riot or civil commotion shall not be considered a collision loss within the meaning of the policy. This is similar to the condition used in other states for some time. This condition has also been incorporated in the standard policy.

A new loss payable clause, to conform with the changes necessitated by including comprehensive coverage in the standard policy, has been issued. There is a new motor bus endorsement, providing for limits of liability in accord-

ance with the railroad commission's recent revised order on seating capacities and required limits of liability insurance. All changes are effective as of Jan. 1.

Expect Ohio Appointment Soon

With convening of the Ohio legislature this week and inauguration of Governor-elect Bricker next week the matter of appointing an insurance superintendent is coming to a head. More than 12 names have been suggested. He is said to have made a selection and it is reported the man is not from northern Ohio. All members of the cabinet have been selected except director of health. C. H. Jones, Jackson, former member Ohio house and for several years assistant attorney-general is the new director of commerce with supervision over the insurance division.

A. J. Dunn Is Hospitalized

A. Jackson Dunn of Standart, Main & Brewster, is in Denver hospital following a major operation.

Honor Walker's 25 Years

HELENA, ARK.—D. G. Walker, local agent, was presented an electric clock in appreciation of his 25 years' continuous service with the Continental. His is one of the oldest agencies in Arkansas, his father, George Walker, having represented the company there before him.

MARINE

National F. & M. Opens Inland Marine Division

National Fire & Marine is opening an inland marine department at its executive office at 25 Cliff street, New York City. The manager will be Albert N. Gates, who has been specializing in inland marine insurance for a good many years.

Mississippi Ruling on Nation-wide Definition

JACKSON, MISS.—Commissioner Williams of Mississippi has asked the joint committee on interpretation and complaint to notify all signatory companies of the amendment by him of the nation-wide definition and interpretation of the insuring powers of marine and transportation underwriters applicable to Mississippi as follows:

Restriction Is Noted

In addition to the prohibitions set forth in section II of the definition, Mississippi adds cotton gin machinery, cotton-seed oil mill machinery and other machinery and/or engines may not be insured by a marine or transportation policy after installation, although title remains in the seller.

Commissioner Williams requests the joint committee to see that all policies

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in force in the state which do not conform to the amendment are cancelled.

Paterson Is Marine Special

David M. Paterson has been named marine special agent of the Home in Ontario.

Gaskill Transferred to New York

T. E. Gaskill, who was manager of the Chicago office of Alan H. Bonito & Co., which has now been closed, is being transferred to the New York head office and will engage in underwriting

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728 Wisconsin Avenue
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Equipped for Claims and Adjustments

and field work in the east and middle west. Mr. Gaskill's earlier experience was with Automobile of Hartford in the field.

Transportation Is Subject for True-False Quiz

(CONTINUED FROM PAGE 23)

(c) Flat Annual Premium: Under this method no reports of shipments are required after policy issuance. The premium is based upon the insured's average annual volume of shipments, proper allowance being made for any factors which might cause this volume to be materially changed during the term of the policy under negotiation. It is inadvisable to use the "flat" premium method during periods of extreme fluctuations in business activity because should business conditions cause the volume of the insured's shipments to drop off sharply or to rise to unexpected heights, such fluctuations would cause either the insured or the company to benefit to the detriment of the other.

Transportation policies may also be written using any other mutually satisfactory method of reporting and premium adjustment—such as quarterly or semi-quarterly reports of shipments and premium payment.

8. In comparing the quotations of different insurance companies for a transportation policy for the same insured, it may safely be assumed that the lowest quotation is most favorable to the insured—provided that all the competing companies are equally reputable and financially sound.

The statement is false. It is inadvisable to make such cost comparisons unless the coverage contemplated by each quotation is thoroughly understood. The transportation policy has not been standardized and there are variations in the forms used by companies writing this cover. The lowest quotation may therefore be based upon the most restricted coverage and not be the most favorable to the insured's interests.

For example, the lowest cost quotation might not contemplate coverage on shipments made by the insured's own trucks or might not afford protection both on incoming and outgoing shipments. If any of these coverages was essential to the insured, the omission from the quotation would be to the insured's disadvantage.

Coverage of Property

9. The transportation policy may be extended to cover property at fixed locations, but in no event can location coverage be granted for a period in excess of 30 days.

The statement is false. There are many locations to which coverage may be extended without any restrictions as to time and other locations at which no coverage whatsoever may be granted; in a third type of location, the 30-day time limitation must apply.

To decide under what circumstances location coverage may be granted, reference must be made to the "Definition and interpretation of the insuring powers of marine and transportation underwriters." This "Definition and interpretation" was promulgated in 1933 by the National Convention of Insurance Commissioners to remove doubt as to the kinds of risks that may or may not be written under inland marine policies. It has now been formally adopted, and must be adhered to by all companies, in some 33 states.

In those states which have not adopted the "Definition and Interpretation," the principles set forth therein are generally observed. Many forward-looking producers and underwriters pre-

fer this course as it assures them uninterrupted stability of operation. It also assures them that, upon adoption of the "Definition and Interpretation" by the particular state, they need not place any valuable account in jeopardy because of their inability to continue a coverage, the propriety of which under an inland marine form may previously have been doubtful and which would become definitely improper under the "Definition and Interpretation."

10. There is a minimum premium requirement of \$100 with respect to transportation policies (including transportation policies extended to cover at fixed locations).

The statement is false. The only minimum premium requirement is that transportation policies written to include shipments by motor trucks are subject to a minimum retained premium of \$10.

Many Retirements Among Company Officials

(CONTINUED FROM PAGE 3)

and then returned to the western department office as chief clerk. When the department was moved to Hartford in 1913, Mr. Gustetter went along and was made agency superintendent. In 1916 he became assistant secretary. In 1923 he was made secretary and in 1936, vice-president and secretary.

Ray H. Gustetter, a son, is Tennessee state agent for Phoenix of Hartford.

R. C. Vanderhoof Retires

NEWARK, N. J.—After a service of more than 47 years with the American of Newark, Roy C. Vanderhoof, assistant secretary has retired from active service, due to the fact that his health has been failing. He started as an office boy on Oct. 5, 1891 and has held various positions at the home office. In 1906 he was made cashier and in 1914 was elected assistant secretary in charge of the local department which position he has held since.

Jacobson Goes to Chicago

DENVER—D. L. Jacobson, formerly with Cobb & Stebbins, has gone with Fred S. James & Co., in Chicago as an inspector.

Map New Omaha Head Office

OMAHA—Mutual Benefit Health & Accident and United Benefit Life intend to put up a five-story office building at 33rd and Farnam streets here for their home office. A preliminary draft of the building has been drawn. Lease on the company's present office space in the Fairley building expires in August, 1940. The new building will be completed by that time.

O. W. Acton, county vice-president in Salem, N. J., for the New Jersey Association of Underwriters, and a well known agent has been elected president of the Liberty Fire Company, the engine company in his town.



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OF WINTERTHUR, SWITZERLAND
111 JOHN STREET
NEW YORK

United States Branch

Statement December 31, 1937

ADMITTED ASSETS

U. S. Treasury Bonds	\$1,609,430.74
Other Bonds	1,092,741.25
Stocks	88,729.00
Accrued Interest	22,968.47
Cash in Office and Banks	118,253.45
Premiums in Course of Collection	69,094.82
(Less than 90 days due)	
	\$3,001,217.73

LIABILITIES

Reserve for Unearned Premiums	\$ 127,716.91
Reserve for Outstanding Losses	33,049.40
Reserve for Other Liabilities	32,719.42
Voluntary Contingency Reserve	307,732.00
Total Liabilities	\$ 501,217.73
Statutory Deposit, New York	850,000.00
Net Surplus above Deposit	1,650,000.00
Policy Holders' Surplus	2,500,000.00
	\$3,001,217.73

Bonds and Stocks owned are valued in accordance with the requirements of the New York State Insurance Department and the National Association of Insurance Commissioners. Securities carried in the above Statement at \$1,255,477.84 are deposited as required by law.



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Agent Brown: "You know, John, I've been thinking I could use another fire company. Seems as if there are things I ought to be getting from some of my companies that I don't get. I've had a couple of complicated surveys lately where I could have used the help of a good fieldman not only in making and preparing the survey, but in selling the recommendations. There was a re-rating problem on one of them. Might have made my recommendations stick a little better if I'd had a good technical man along with me."

Agent Smith: "Maybe you've got something there, Dick. Been thinking I might look around for another one, too. Plenty of fieldmen call on me, but I'm not sure any one of them is right, or that he has a company behind him that I'd want. I mean to pick it carefully—you've got to live with a company, after all; it doesn't pay to take the first one that comes along. Besides a good fieldman, I want a company

that will help me plan sales campaigns and will write advertising for me."

Agent Brown: "Then, too, why shouldn't we get real service, now, when we need it from a company, and not have to wait till three weeks from day after tomorrow before a letter is answered, or word comes on an out-of-state line we've asked service on. No, I'm going to be particular *this time*."

Agent Smith: "Around at the Board meetings and at the luncheon club I've been hearing about the National Fire Group companies. They tell me that *there's* an outfit that delivers the goods. Maybe they're full up here—maybe they are in your town, too; good companies like these aren't always available—but I think I'll get one of their fieldmen in—can't do any harm to talk with him."

Agent Brown: "Right you are, John. I'm going to try that too."

THE NATIONAL FIRE GROUP

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
MECHANICS & TRADERS INSURANCE COMPANY
FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK
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